

**Solid Waste Collection and  
Processing Contract Between  
the City of Seattle and  
U.S. Disposal II**

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**SOLID WASTE COLLECTION AND PROCESSING CONTRACT  
BETWEEN THE CITY OF SEATTLE  
AND U.S. DISPOSAL II**

**THIS SOLID WASTE COLLECTION AND PROCESSING CONTRACT is entered into by and between THE CITY OF SEATTLE, a municipal corporation of the State of Washington by and through Seattle Public Utilities (SPU) (“City”), and U.S. DISPOSAL II (“Contractor”) to provide for collection and/or processing of Garbage, [Food Waste], Yard Waste, and Recyclables from Structures located within the Collection Area (each capitalized term as hereinafter defined).**

**The parties, in consideration of the promises, representations and warranties contained herein, agree as follows:**

**A. OVERVIEW**

**Section 10. Purpose and Intent.**

This Contract engages U.S. Disposal II to collect Garbage, Yard Waste and Recyclables from Structures within the Collection Area and to process Recyclables into marketable products. At the City's option, the Contractor shall begin collection of Food Waste on April 1, 2001, April 1, 2002, or April 1, 2003 in accordance with Section 300. The City shall provide at least nine (9) months notice to the Contractor prior to the beginning of Food Waste collection.

**Section 15. Contract Term.**

This Contract is entered into on this \_\_\_\_ day of \_\_\_\_\_, 199\_\_\_\_. Actual collection and processing services will begin April 1, 2000 and continue for a term of seven years, ending at midnight March 31, 2007. The City, at its option, may extend this Contract for two successive one-year periods to March 31, 2008 or March 31, 2009 by notifying the Contractor on or before June 30, 2006 and June 30, 2007, respectively. If the City extends this Contract, the same terms, conditions, and method of payment shall apply during the extension period.

**Section 20. Definitions.**

In addition to capitalized terms that are defined elsewhere, the following meanings apply:

“Can” means a watertight, galvanized, sheet metal or plastic receptacle not exceeding 96 gallons in capacity, fitted with at least one sturdy handle and a tight cover equipped with a handle, except in the case of sunken cans, such can shall be rodent and insect proof and shall be kept in a sanitary condition at all times. Alternate containers such as bags, boxes and bundles may be used in place of Cans, provided that a Can customer's primary receptacle shall always be a

microcan, minican, 32 gallon can or Wheeled Container for materials in excess of the customer's primary Container. Can weights, when full, shall not exceed 60 pounds for each 32 gallons of nominal capacity.

"Centralized Apartment Recycling" means recycling services provided to multi-unit apartment buildings and certain City-owned buildings. The Containers used for Centralized Apartment Recycling are centrally located, are owned by the City, and are one, one and one half, and two cubic yard rear load Detachable Containers, stackable bins, and thirty-two (32) and ninety five (95) gallon Wheeled Containers.

"City" means the City of Seattle.

"Container" means a metal or plastic receptacle used for Garbage, [Food Waste], Yard Waste and Recyclables collection.

"Collection Area" means that portion of the City in which the Contractor provides collection services as described in Section 100.

"Curb/Alley Recycling" means recycling services generally provided to single family through fourplex Structures and certain City-owned buildings. Recyclables are placed by customers at curb or alley locations for collection.

"Detachable Container" (also at times referred to as "dumpster") means a watertight, all-metal Container, not less than three quarter (3/4) cubic yards in capacity and equipped with a tight-fitting metal or plastic cover. The term shall also apply to Containers of other material of similar size when approved by the City. Detachable Containers two (2) cubic yards and under shall be equipped with at least four (4) wheels. Detachable Containers shall have no jagged edges or holes and shall meet the provisions of the Seattle Fire Code.

"Food Waste" means vegetable and other food scraps, including meat, dairy products, grease and bones; paper which has been contaminated with food, fat or grease; and compostable paper including paper towels, paper plates, tissue and waxed paper.

"Garbage" means all discarded putrescible waste matter, including small dead animals weighing not over fifteen (15) pounds, but not including sewage or sewage sludge, human excrement or Yard Waste.

"Mixed Use Building" means a building with both residential and commercial solid waste with common garbage chute(s), and/or the residential and commercial solid waste generated in such building cannot be readily separated.

"Recyclables" means mixed waste paper (including corrugated), newspaper, tin and aluminum cans, glass bottles and jars, plastic bottles, jars and tubs, plastic bags,

polycoated paper, aseptic packaging and ferrous scrap. Plastic bags shall be contained within a plastic bag. Ferrous scrap shall not exceed sixteen (16) inches long by sixteen (16) inches wide by twelve (12) inches deep. The City may add textiles to this definition at any time during this Contract. If textiles are added to the definition, textiles shall be contained within a plastic bag.

“Recycle” or “Recycling” means transforming or remanufacturing waste materials into usable or marketable materials for use other than incineration (including incineration for energy recovery) or other methods of disposal.

“Residence, Residential” means any house, dwelling, multiunit residence, apartment house, or any building put to residential use except Mixed Use Buildings.

“Structure” means all residential structures, including Mixed Use Buildings, and City buildings that the City bills for Garbage collection services. For Curb/Alley Recycling it also means commercial businesses generating ninety-six (96) gallons, or less, of Garbage per week.

“Wheeled Container” means a 32, 64 or 96 gallon plastic Container equipped with wheels, handles and a tight-fitting cover. Wheeled Containers are capable of being mechanically unloaded into the Contractor’s collection vehicles.

“Yard Waste” means plant material (leaves, grass clippings, branches, brush, flowers, roots, wood waste, etc.); debris commonly thrown away in the course of maintaining yards and gardens, including sod and a small number of incidental rocks not over two (2) inches in diameter; and biodegradable waste approved for the Yard Waste programs by the City. Yard Waste does not include loose soils, Food Waste; plastics and synthetic fibers; lumber; any wood or tree limbs over four (4) inches in diameter; human or animal excrement; noxious weeds and soil contaminated with hazardous substances.

## **Section 25. City Responsibilities.**

The City shall be responsible for:

- 1) Making payments contemplated by this Contract;
- 2) Disposing of Garbage delivered by the Contractor to the City’s Recycling and Disposal Stations;
- 3) Inspecting Contractor performance, mediating and adjusting customer grievances. The City may require special and other services as contemplated in this Contract; and,
- 4) Specifying each customer’s level and type of collection service.

### **Section 30. Contractor Responsibilities.**

The Contractor shall be responsible for:

- 1) Furnishing all skill, labor, equipment, materials, supplies and utility services required for providing all services in accordance with this Contract;
- 2) All actions and activities of its subcontractors;
- 3) Supplying all records and information required by this Contract;
- 4) Securing at Contractor's expense all governmental permits and licenses and required regulatory approvals (including those required by City ordinance);
- 5) Paying all applicable taxes;
- 6) Complying with applicable laws and regulations; and
- 7) Performing all work in a timely, thorough and professional manner.

All wage increases for Contractor's collectors or other employees, any benefits or added costs resulting from changes in technology, laws and regulations, labor practices, availability of equipment, and other business risks that may affect the performance of this Contract.

### **Section 35. Contractor Representations and Warranties.**

The Contractor represents and warrants to the City as follows:

- 1) Organization and Qualification. The Contractor is duly incorporated, validly existing and in good standing under the laws of the state of Washington, and has all requisite corporate power and authority to enter into and to perform its obligations under this Contract.
- 2) Authority.
  - a) The Contractor has the authority to execute this Contract; to make the representations and warranties set forth in it and to perform the obligations of Contractor under this Contract in accordance with its terms.
  - b) This Contract has been validly executed by an authorized representative of the Contractor and constitutes a valid and legally binding and enforceable obligation of Contractor.
- 3) Government Authorizations and Consents. The Contractor has or will obtain prior to the commencement date such licenses, permits and other



authorizations from federal, state and other governmental authorities, as are necessary for the performance of its obligations under this Contract.

- 4) Compliance With Laws. The Contractor is not in violation of any applicable law, ordinance or regulation the consequence of which will or may materially affect Contractor's ability to perform its obligations under this Contract. The Contractor is not subject to any order or judgment of any court, tribunal or governmental agency which materially and adversely affects its operations or assets in the state of Washington, or its ability to perform its obligations under this Contract.
- 5) Accuracy of Information. None of the representations or warranties in this Contract, and none of the documents, statements, certificates or schedules furnished or to be furnished by Contractor pursuant hereto or in connection with the performance of the obligations contemplated under this Contract, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements of fact contained therein not misleading.
- 6) Independent Examination. In accepting these responsibilities, the Contractor represents and affirms that it has made its own examination of all conditions, facilities and properties affecting the performance of this Contract and of the quantity and expense of labor, equipment, material needed, and of applicable taxes, permits, and laws. The Contractor affirms that within the Collection Area it is aware of the present placement of collection Containers at curb, alley or backyard locations and the present location of Detachable Garbage Containers and Centralized Apartment Recycling Containers. The Contractor represents and warrants that it is capable of continuing to collect Containers from their present locations.

#### **Section 40. City Representations and Warranties.**

The City represents and warrants to the Contractor as follows:

- 1) Organization and Qualification. The City is a municipal corporation and has all requisite corporate power and authority to enter into and to perform its obligations under this Contract.
- 2) Authority.
  - a) The City has the authority to execute this Contract, to make the representations and warranties set forth in it and to perform the obligations of the City under this Contract in accordance with its terms.

- b) This Contract has been validly executed and constitutes a valid and legally binding and enforceable obligation of the City.
- 3) Government Authorizations and Consents. The City has such licenses, permits and other authorizations from federal, state and other governmental authorities, as are necessary for the performance of its obligations under this Contract, and no consent, approval or authorization of or declaration, registration or filing with any governmental or regulatory body is required to be obtained or made by the City as a prerequisite to its execution of this Contract or its performance of its obligations contemplated hereby.
- 4) Compliance With Laws. The City is not in violation of any applicable law, ordinance or regulation the consequence of which will or may materially affect the City's ability to perform its obligations under this Contract. The City is not subject to any order or judgment of any court, tribunal or governmental agency which materially and adversely affects its operations or its ability to perform its obligations under this Contract.
- 5) Accuracy of Information. None of the representations or warranties in this Contract, and none of the documents, statements, certificates or schedules furnished or to be furnished by the City pursuant hereto or in connection with the performance of the obligations contemplated under this Contract, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements of fact contained therein not misleading.

#### **Section 45. OSHA/WISHA, Health and Environmental Laws.**

The Contractor shall comply with the federal Occupation Safety and Health Act of 1970, as amended ("OSHA") and the Washington Industrial Safety and Health Act of 1973, as amended ("WISHA") (RCW Chapter 49.17) and with standards and regulations issued to implement these statutes from time to time.

The Contractor is also responsible for meeting all pertinent local, state and federal health and environmental laws, regulations, and standards applying to collection of Garbage, [Food Waste], Yard Waste, and Recyclables.

#### **Section 50. Vehicles Used in Collection.**

All vehicles used for collection shall be registered with the State of Washington Department of Motor Vehicles, and shall be kept in a clean and sanitary condition and a state of good appearance and repair, and shall be painted in a uniform manner.

Collection vehicles shall be painted in Contractor's color or colors subject to approval by the City, numbered consecutively, and shall have painted in a contrasting color, at least four inches high, on each side of each vehicle and on the rear of the vehicle, the number of the vehicle. No advertising shall be permitted other than the name of the Contractor. The

Contractor shall place a City supplied sign, which will include a City customer service telephone number, on all collection trucks. All vehicles shall be kept in a clean and sanitary condition.

All collection vehicles shall be equipped with a GPS tracking and computer system which is capable of sending and receiving instantaneous collection information on each collection address and account.

Collection vehicles shall be sufficient to service all participating dwellings at the frequency of collection specified.

All vehicles used by management personnel, including route supervisors, shall be equipped with cell phones with voice mail so that they can be contacted by the City.

All such vehicles shall be operated in conformity with Washington State traffic laws and where applicable the Seattle Traffic Code, SMC Title 11.

The Contractor's collection vehicles shall be used only on this Contract. The Contractor may use collection vehicles from other sources, or use Contract vehicles for other operations only with the prior written approval of the City.

The Contractor (and subcontractors) shall not park or store any collection vehicles on City property for more than a two-hour period, regardless of signage, without the permission of the City.

#### **Section 55. Vehicle Specifications.**

At the start of this Contract, all vehicles used in collection shall be new or reconditioned and in good operating order. All collection equipment used under this Contract shall meet all applicable state and federal safety standards and Contractor shall obtain all required operating permits.

All collection vehicles shall be equipped with ambient noise back-up alarms.

#### **Section 60. Ownership of Equipment.**

All vehicles, facilities, equipment, and property used in the performance of this Contract shall be wholly owned by the Contractor; provided, that leases, conditional sale contracts, mortgages, or other agreements for the use or financing the purchase of vehicles, facilities, equipment and property may be allowed with the prior written approval of the City. All such leases, conditional sale contracts, mortgages, or other agreements shall provide that in the event of the Contractor's failure to perform its obligations under this Contract, the City, at its option, shall have the right to take possession of and operate vehicles, facilities, equipment, and property covered by such lease or agreement for the unexpired term of this Contract. No further encumbrance shall be placed upon any such vehicles, facilities, or equipment without the prior written approval of the City.

### **Section 65. Vehicle Maintenance and Inventory.**

The Contractor shall provide to the City, prior to April 1, 2000, a complete inventory showing each vehicle (type, capacity, approximate age) used for performing the Contract. The Contractor may change equipment from time-to-time and shall include the revised inventory in the monthly report. The Contractor shall maintain a vehicular fleet during the performance of this Contract at least equal to that described in the inventory.

### **Section 70. Traffic Laws; Noise Control.**

All vehicles shall be operated in conformity with the Seattle Traffic Code, SMC Chapter 11. The maximum noise level of motor vehicles during travel shall not exceed the levels set forth in SMC 25.08.430. The maximum noise level while collecting or compacting Garbage, [Food Waste], Yard Waste, and/or Recyclables shall not exceed the levels set forth in SMC 25.08.410.

### **Section 80. Contractor's Office.**

The Contractor shall maintain within King County an office with local telephone service and such staff as needed to take care of complaints, requests for missed collections, and other coordination with City staff. Phone service shall include multiple lines and voice mail. Any voice mail messages shall be returned by the Contractor's office staff within sixty (60) minutes, if received between the hours of 8:00 am and 4:00 pm on business days. Any voice mail messages received outside of these hours shall be returned by 9:00 am of the next business day. Office hours shall be 8:00 a.m. to 5:00 p.m., Monday through Friday.

## **B. COLLECTION SERVICES**

### **Section 100. Collection Area.**

The Contractor shall provide all collection services called for in this Contract within the following area:

The north boundary shall be, from west to east, Salmon Bay, the Lake Washington Ship Canal, Lake Union, Portage Bay, the Portage Cut (Montlake Cut), and Union Bay. The south boundary shall be the south city limits of the City of Seattle.

Within the Collection Area, all materials shall be collected from the same Structure on the same day of the week. Garbage [and Food Waste] shall be collected weekly and Recyclables and Yard Waste collected on alternate weeks (March through November). (Garbage, [Food Waste] and Recyclables are collected one week; Garbage, [Food Waste] and Yard Waste are collected the following week.) During December through February Yard Waste shall be collected once per month.

### **Section 103. Garbage Collection.**

Collection of Garbage from Structures using Garbage Cans shall be weekly; provided the City may require the Contractor to schedule multiple collections each week at certain multi-

family Structures receiving Can service. This multiple service will be limited to no more than twenty-five (25) Structures.

The Contractor shall collect Garbage from Detachable Containers at the frequency as specified by the City, Monday through Saturday. The Contractor shall not be required to provide more than daily collection per location. The Contractor agrees that the City has supplied electronic information regarding Structures receiving Detachable Container service, the number and size of the Containers and the collection frequency.

The Contractor is not responsible for collecting micro cans weighing in excess of 20 pounds, mini cans weighing in excess of 30 pounds or 32 gallon cans weighing in excess of 60 pounds, or extra bundles weighing in excess of 60 pounds. The Contractor shall collect residential Garbage as defined in SMC Ch. 21.36.014,2. The Contractor shall collect Garbage Containers that are placed in accordance with Sections 110, and 113 of this Contract. It shall be the Contractor's responsibility to give notice to City staff if it believes Garbage is not prepared and/or located per this Section. However, the City shall be the sole and final judge as to such conditions and locations.

#### **Section 105. Yard Waste Collection.**

Yard waste shall be collected every other week, March through November and monthly December through February.

The Contractor shall collect the following material as Yard Waste: plant material (leaves, grass clippings, branches, brush, flowers, roots, wood waste, etc.); debris commonly thrown away in the course of maintaining yards and gardens, including sod; and biodegradable waste as approved by the parties. The Contractor shall not collect as Yard Waste loose soils, Garbage, Food Waste; plastics or synthetic fibers; lumber; any wood or tree limbs over four (4) inches in diameter or four (4) feet in length; human or animal excrement; or soil contaminated with hazardous substances. Christmas trees will be eligible for collection as Yard Waste provided they have been cut so that the branching spread is no more than four feet across and pieces of trunk are no more than six feet in length. The Contractor and the City may by mutual agreement establish other reasonable specifications regulating the size, quality, configuration and placement of Yard Waste eligible for collection.

The Contractor shall collect from subscribers Yard Waste which has been placed in a Can not exceeding 32 gallons in capacity or which has been boxed, bundled or placed in a kraft paper bag not exceeding 32 gallons in capacity. Bundles shall not exceed four (4) feet in length and two (2) feet in diameter. The Contractor is not required to collect Cans or bundles of Yard Waste that exceed sixty (60) pounds. The Contractor shall not collect Yard Waste that that has been placed in plastic bags (with the exception of reusable polypropylene plastic bags as noted below).

The Contractor shall exercise good faith to ensure that non Yard Waste material is not placed in the collection truck. However, both parties recognize that non Yard Waste material may be inadvertently collected due to customer confusion or customer misuse.

The Contractor shall empty reusable polypropylene plastic bags of 32 gallons or less. These bags shall be equipped with a snap closure for the opening, handles on the top and bottom to assist in dumping, it shall be weighted on the lower side to prevent them from blowing away, and shall weigh no more than sixty (60) pounds when placed for collection. The bags will be filled only with leaves, weeds or grass. The Contractor shall return the bags to the curb or alley after emptying.

The Contractor shall not collect as Yard Waste unsegregated Garbage, or Yard Waste that is contaminated by fecal matter, hazardous substances or other ineligible material.

If material is left uncollected, the Contractor will leave an explanation along with a brochure, to help the customer correct the problem and avoid it in the future.

The Contractor may market wheeled containers to residents for Yard Waste collection. The rules, regulations, conditions for sale or lease, and billing for use and receipt of payment are between the Contractor and residents. However, the Contractor shall clearly inform residents that the use of wheeled containers is a voluntary option. The City will review and approve all public information relating to the optional use of wheeled containers.

#### **Section 108. Recycling Collection.**

The Contractor shall collect Recyclables within the Collection Area.

The Contractor shall collect Recyclables every other week from Structures receiving Curb/Alley Recycling collection services. Structures receiving Centralized Apartment Recycling collection services shall be collected at a frequency as determined by the building owner/manager or the City. However, Recyclables must be collected at least monthly. The Contractor agrees that the City has supplied electronic information regarding Structures receiving Centralized Apartment Recycling collection services, the number and size of the Containers and the collection frequency.

Collected material shall be delivered to Rabanco's processing facility located at 3<sup>rd</sup> Avenue South and South Lander Street.

#### **Section 110. Place of Collection -- Can Service.**

Unless the customer has elected backyard Garbage collection, or qualifies under the City's disabled allowance for backyard Garbage, [Food Waste], Yard Waste or Recyclables collection, collections shall be made at the curbside or alley, as determined by the City. Subject to special arrangements made by mutual agreement between the Contractor and the City on a case-by-case basis to accommodate extraordinary situations, Structures on the same side of the street on the same block shall place all Containers on the curbside or all on the alley. However, if a particular property does not abut the alley, Container placement shall be at the curb. The Contractor shall collect collection Containers placed as follows:

- 1) From properties with level planting strips, in the planting strip or driveway within eight (8) feet of the curb;
- 2) From properties with alleys of sufficient width, in the alley or within four (4) feet of the alley gate if the gate is within four (4) feet of the alley;
- 3) From properties with sidewalks but not planting strips, on the owner's property, within eight (8) feet of the sidewalk, if level;
- 4) When the foregoing location slopes at a grade making placement of a Container difficult, the nearest reasonable level area; and
- 5) If the Structure has no sidewalk or planting strip, dense shrubbery or extraordinary circumstances preclude such a location, from a placement suitable to the customer and convenient to the Contractor's equipment.

Any disagreements over correct placement of Containers for collection will be determined by the City. The City's decision shall be final and binding.

After collection, the Contractor shall return the Container(s) in a neat and orderly manner to their original curbside or alley location.

The City shall monitor collection routes, or a portion of a route on a regular basis to determine if the Contractor is placing Containers back in their original location in a neat and orderly manner after collection. If it would appear to a reasonable person that the Contractor is not placing Containers back in their original location in a neat and orderly manner, the Contractor will receive a penalty of \$100 per monitored route.

### **Section 113. Place of Collection -- Detachable Containers.**

The Contractor shall collect Garbage from Structures receiving Detachable Container service as follows:

- 1) Existing Detachable Containers shall continue to be collected from their existing locations, unless the owner/manager would like them relocated to an alternate location. In such cases the Contractor and owner/manager will attempt to reach agreement on a new location. If agreement cannot be reached, the City will meet with both the Contractor and owner/manager and the City will decide the new location;
- 2) Any new Detachable Container placements shall be located on the Structure in a manner satisfactory to the customer and for collection by the Contractor and shall meet the provisions of the Seattle Fire Code. Any disagreements over Container placement and collection shall be mediated by the City. The City's decision shall be final and binding; and

- 3) The Contractor is required to provide collection service from locked buildings when so requested by the building owner/manager. For entry into such a locked building the owner/manager shall provide the Contractor with a key to the locked building.

**Section 114. Place of Collection -- Centralized Apartment Recycling.**

The Contractor shall collect Recyclables from Structures receiving Centralized Apartment Recycling service as follows:

- 1) Collection shall be performed from locations that are satisfactory to the customer and the Contractor for collection. Curbside or alley placement of Containers shall not be required. The City shall mediate all disputes regarding location. The City's decision shall be final and binding. The Contractor may request authorization from the City to not provide service to buildings that, in the opinion of the Contractor, do not have sufficient storage area for any recycling Containers. The City shall not unreasonably withhold such permission. The Contractor may suggest an alternate location for the Containers that would meet the needs of the building and be serviceable by the Contractor. The Contractor agrees that the City has supplied electronic information regarding the Structures receiving Centralized Apartment Recycling collection services, the number, size and location of the Containers and the collection frequency;
- 2) The Contractor is required to provide collection service from locked Structures when so requested by the owner/manager. For entry into such a locked Structure the owner/manager shall provide the Contractor with a key; and
- 3) Centralized Apartment Recycling Containers must not block Cans, Wheeled Containers or Detachable Containers used for the collection of Garbage.

**Section 115. Mixed Use Buildings.**

At the City's request, the Contractor will, (1) collect all Garbage (residential and commercial), (2) collect only residential Garbage, or (3) collect no Garbage from Mixed Use Buildings. However the Contractor will not be required to perform (1) or (2) if the customer installs an unusual and noncompatible Container, or configures its premises so as to prevent the Contractor's equipment from servicing them.

**Section 118. Collection from City Buildings.**

The Contractor shall collect Garbage, [Food Waste], Yard Waste and Recyclables from City-owned or occupied buildings. The Contractor agrees that the City has supplied electronic information regarding the Structures and the frequency of collection.



**Section 120. Time of Collection.**

The Contractor shall make collections between 7:00 a.m. and 5:00 p.m., Monday through Saturday, unless the City authorizes a temporary extension of hours. However, the Contractor may begin collections in the downtown area at 5:00 a.m. For purposes of this Contract, the "downtown area" is the area bounded by Elliott Bay, Interstate 5, Denny Way, and South Royal Brougham Way. The Contractor shall make a good faith effort to adjust its collection during the hours of 5:00 a.m. to 7:00 a.m. so as to accommodate noise complaints that customers may make.

**Section 123. Scheduling of Collection.**

For collection of Garbage Cans, [Food Waste], Yard Waste and Curb/Alley Recycling, the Contractor shall divide the Collection Area into five collection sectors, with one sector to be collected Monday through Friday (saturation routing). The five collection sectors shall be bounded by natural boundaries, such as bodies of water, major highways or arterials. Collections shall be made from Structures on a regular schedule on the same day and approximately the same time each week.

During the monthly Yard Waste collection months (December through February), collections will be spread over the entire month. The Contractor shall not collect the entire Collection Area during a one or two week period.

For Detachable Container and Centralized Apartment Recycling collection, the Contractor shall divide the Contract Area into sectors or routes in a manner that spreads collection over the work week. Collections shall be made from Containers on a regular schedule on the same days of the week each week or month according to the frequency determined by the Contractor and the customer as necessary for each building. A minimum of monthly collection shall be provided for Centralized Apartment Recycling.

The Contractor shall supply the City with a map of the Collection Area showing the day of the week Garbage, [Food Waste], Yard Waste and Recyclables shall be collected from each sector. This map shall be generated electronically and shall also include route boundaries, route numbers and the truck number for the truck which will normally collect the route.

The Contractor shall also provide the City a listing, in electronic data format, of Structures receiving Centralized Apartment Recycling, including the day(s) of collection for each Structure. The listing shall include Structure address, number of units in the Structure, number and size of Containers, collection route number and the truck number serving each route. This listing will be supplied on a monthly basis or more frequently to reflect service day changes. The City may withhold the Contractor's monthly payment until this list is supplied.

At least one month prior to the first collection under this Contract, the Contractor will notify all customers by direct mail to the service address of any collection day changes from the present contract.

Beginning October 1, 2000, the Contractor may change the day(s) of collection by giving notice to the City at least fourteen (14) calendar days, and affected customers at least seven (7) calendar days, prior to the effective date of such change. The Contractor shall provide the City with an electronic listing of the changes at least seven (7) calendar days prior to the effective date of the change. The form of notice to the customer shall be subject to the approval of the City.

**Section 125. Backyard, Curb/Alley Service Option.**

The Contractor shall provide backyard collection service to customers who pay an additional amount for backyard Garbage service and for those customers who the City qualifies to receive backyard Garbage service due to disability. The Contractor shall provide backyard Yard Waste, [Food Waste], and Recyclables collection service, but only for those customers who the City qualifies to receive this type of service due to disability. The City shall identify Structures that are to receive backyard service, and shall further identify Structures that receive backyard service due to customer's disability or handicap, and shall so notify the Contractor.

The Contractor shall collect materials from a backyard customer when the materials are in a convenient, accessible location as near as practical to the rear of the building. The Contractor shall supply Wheeled Containers for Recyclables to those customers qualifying for backyard Recyclables collection. After emptying the Container the Contractor shall replace the lid and return the Container to its former location without damage.

**Section 128. Collection of Excess Garbage and Excess Yard Waste.**

The Contractor shall collect Garbage and Yard Waste in excess of the base service level. For collection of such excess Garbage and Yard Waste, the Contractor shall record the address of the location and the number of excess units collected. The Contractor shall transcribe this information on a daily basis into an ASCII format as approved by the City, or such other format as subsequently agreed to by mutual agreement. The information shall include the address, account number, number of extra units picked-up at each address and pick-up date. This information shall be uploaded on a daily basis to the City, or such other location as subsequently agreed to by mutual agreement. The Contractor will be assessed a \$250 penalty for daily information that is uploaded later than one City business day following the collection date.

Excess Garbage and Yard Waste may be in either an additional Can, bag or a bundle which does not exceed 32 gallons in capacity and sixty (60) pounds (except excess Yard Waste may not be in a plastic bag). Each individual bag or bundle of excess Garbage or Yard Waste or additional Can shall be considered an excess unit. The lid on the Contractor, customer or City supplied Garbage Can must fit securely on the Can. If the lid could not fit securely on the Can due to excess Garbage piled above the rim, the Contractor shall record that an excess unit was collected.

The Contractor will only upload addresses that are matched to an account number. Addresses that do not match to an account number will be transmitted to the City in a separate file for research. When the City has determined the correct account number for the particular service address, the City will transmit the account number to the Contractor to be used for subsequent extra Garbage collection transactions.

If an individual customer continuously disputes excess unit charges, the City has the option of transmitting that customer address to the Contractor and telling the Contractor to not collect excess units from that particular address. The customer will be informed that in the future no excess Garbage and/or Yard Waste will be collected. However, this option will not be extended to absentee bill-payers for their tenants. All excess units placed out by tenants shall be collected and recorded as excess units and uploaded to the City.

While collecting excess Garbage or Yard Waste, if an address is not visible, and there is no address sticker on the Can, the Contractor will leave the excess Garbage or Yard Waste, leave a City designed and printed tag explaining why the excess was not collected, and record identifying information about the location, such as street and hundred block, color of house, third house from north end of block, etc., and transmit this information via the "exception list" to the City. Prior to or during the next collection, the Contractor shall place a correct address sticker on the Can.

While performing regular collections from Detachable Containers, the Contractor shall collect any excess Garbage that is piled above the rim of the Container, on top of the Container lid, or on the ground beside the Container. Excess Garbage must be prepared in accordance with SMC 21.36.010. The Contractor shall record the address of the Container location and an estimate of the amount of excess Garbage collected in quarter yard increments.

If a Detachable Container customer requests that excess Garbage not be collected from their location, the City has the option of transmitting that customer address to the Contractor and informing the Contractor to not collect any excess Garbage from that particular address. The customer will be informed that in the future they will need to order a "paid special" per Section 260 to have any excess Garbage collected.

The City will randomly monitor routes, or portions of routes, on a regular basis. Any addresses that are observed with excess Garbage or Yard Waste will be photographed and the address noted. Each month, all addresses observed by the City with excess Garbage or Yard Waste will be compared with the addresses reported by the Contractor as having excess Garbage and Yard Waste, as well as any "exceptions" noted by the Contractor for City observed addresses. On a six month basis the Contractor shall receive the penalty or bonus payments for accurate reporting of excess Garbage and Yard Waste, according to the following formula:

**(Penalty)/Bonus = \$1,000,000 \* (Percent of Excess Services Reported - 70%)**

Examples:

- 1) The Contractor accurately reports 61% of extra service collections during a 6-month period:

$$\begin{aligned}\text{Payment} &= \$1,000,000 * (61\% - 70\%) \\ &= \$1,000,000 * (-9\%) \\ &= \underline{-\$90,000}.\end{aligned}$$

**A penalty charge of \$90,000 is deducted from the City's payment to the Contractor.**

- 2) The Contractor accurately reports 84% of extra service collections during a 6-month period:

$$\begin{aligned}\text{Payment} &= \$1,000,000 * (84\% - 70\%) \\ &= \$1,000,000 * (14\%) \\ &= \underline{\$140,000}.\end{aligned}$$

**A bonus payment of \$140,000 is added to the City's payment to the Contractor.**

**Section 130. Disposal at Transfer Station.**

The Contractor shall deliver all Garbage collected under this Contract to the City's South Recycle and Disposal Station located at 2nd Avenue South and South Kenyon Street, the North Recycle and Disposal Station located at North 34<sup>th</sup> Street and Carr Place North, or such other location as the City may designate, and shall deposit the material collected in the manner directed.

The Contractor shall deliver all Yard Waste collected under this Contract to the Rabanco Transfer Station located at 3<sup>rd</sup> Avenue South and South Lander Street.

All Garbage and Yard Waste collected Monday through Saturday shall be delivered by 5:00 p.m. the same day. No disposal fees shall be charged for Garbage delivered under this Contract.

The Contractor's collection vehicles must be capable of being dumped at the City's recycling and disposal stations. The collection trucks must have a minimum clearance of twelve (12) inches from the pavement to the bottom of the truck in order to clear the curb at the recycle and disposal station dumping pit.

**Section 133. Ownership of Materials Collected.**

Collected Garbage, [Food Waste] and Yard Waste shall be the property of the City, subject to the right of a customer to claim lost property of value. Collected Recyclables shall be the property of the Contractor, subject to the right of a customer to claim lost property of value.

**Section 135. Scavenging.**

No "scavenging" shall be allowed. Scavenging means sorting through Garbage, [Food Waste, Yard Waste or Recyclables while collecting looking for items of possible value (usually by individuals without mechanized equipment) or picking out individual pieces for reuse while loading or unloading. Scavenging excludes searches by owners for valuables accidentally misplaced or that may be lost and, under the Yard Waste and Recyclables collection programs, sorting out from the Yard Waste or Recyclables collected, materials that were not eligible for the program and disposing of the ineligible materials as Garbage.

**Section 138. Bulky Item and White Good Collection.**

The Contractor shall provide separate collection of bulky items and white goods on a call-in basis. The Contractor will be paid an additional fee of \$15 for each bulky item collected and \$15 for each white good collected. The Contractor will provide the separate collection within five (5) working days of City notification. Bulky items and white goods shall be collected from private property. They shall not be placed for collection on the curb/alley or on any street right of way or public place. The Contractor shall not be responsible for the collection of any material improperly placed for collection. Rules and regulations for placement of bulky items and white goods on private property shall be contained in the Operations Plan.

Bulky items may be disposed at a City recycling and disposal station at no charge. White goods shall be delivered to a City recycling and disposal station, or delivered directly to the City's white goods contractor, as directed by the City.

"White Goods" shall include all major appliances, such as washers, dryers, refrigerators, freezers, stoves, dishwashers and trash compactors and other items as agreed by the parties. "Bulky Items" shall include such items as chairs, tables, console television sets, couches, mattresses, cabinets and dressers, and other items as agreed by the parties.

**Section 140. Holiday Collections.**

The Contractor shall provide collection services on all legal holidays except Thanksgiving Day, Christmas Day and New Year's Day. Material regularly scheduled to be collected Thanksgiving Day shall be collected on Friday, the day after Thanksgiving. Friday's material shall be collected on Saturday. If Christmas Day or New Year's Day falls on a regularly scheduled workday, collections will be delayed one day and Friday's material shall be collected on Saturday.

**Section 143. Service Disruptions Due to Weather.**

When snow or ice or other weather conditions prevents collection on the scheduled day, the Contractor shall make collection on the next weekday. If such conditions continue for a

second consecutive day, or more, the Contractor shall, on the first day that regular service to a customer resumes, collect all the materials that the customer is authorized to have, i.e. if one collection day is missed and the customer is on 32 gallon service, the Contractor shall collect 64 gallons of material. On the day that collections resume, the Contractor shall take bags, boxes and other secure wrappers, and shall empty temporary receptacles that customers have used when the collection Cans and Containers have been filled. The Contractor is authorized to perform collection services after 5:00 pm during, or immediately after, disruptions due to weather in order to finish the collection routes.

The Contractor shall notify the City as soon as possible of any non-collection days due to snow or ice. If possible, the notification shall be made the previous day or by 6:00 a.m. of the collection day. The City will notify the media of such non-collection days.

The Contractor shall not be paid for non-collections due to snow or ice. The City shall deduct \$250 from the Contractor's regular monthly payment for each individual collection route which is not 90% collected by the end of the day following the scheduled collection day.

#### **Section 145. Service Disruptions -- Non Weather.**

When closure of roadways providing access, blocked alleys or streets or other disruption beyond Contractor's control prevents timely collection on the scheduled day, the Contractor shall make collection either later on that collection day, or the next collection day. The Contractor must provide all the collections required during the collection week. If all collections are not performed during the collection week, the City will adjust the Contractor's payment for such non-collection.

The Contractor may request City assistance to clear streets or blocked alleys, notify traffic enforcement of illegally parked cars, or request other assistance from the City. The City will respond to such requests within two (2) hours of notification, however, the Contractor will be billed \$25 for each such assistance provided.

#### **Section 148. Missed and Make-up Collections.**

Should the Contractor fail to make collection on a scheduled day for causes within the Contractor's control, the Contractor shall make a special make-up collection by the end of the same business day if notification of the miss is received by 9:00 am that business day, or by the end of the next business day following notification by the City, if notification of the miss is received after 9:00 am. The City shall transmit to the Contractor missed collections and other collection complaints no later than the second business day following collection for customers receiving curb/alley service. The City shall transmit missed collections for backyard customers no later than the third business day following collection. A make-up collection shall pick up excess material accumulated during the interval between the scheduled collection day and the special make-up collection. Solely for the purposes of Section 148, the "business day" includes Saturday.

Notwithstanding the foregoing, the City may require the Contractor to do the following:

- 1) Authorize the Contractor to defer the collection and authorize the customer to place a proportionally larger amount at such customer's next scheduled collection day without any additional charge, and to accommodate such a disposal, allow the customer to use a bag or temporary Container as well as additional bundles; or
- 2) Authorize the Contractor to forego collection for the interval altogether and make a compensatory reduction in the billing to the customer, and an equal reduction in the amount payable to the Contractor.

It shall be a defense to a missed collection that the customer had not made timely placement of his or her material out for collection; that the placement did not comply with provisions of this Contract; and for Garbage, [Food Waste], Yard Waste, and Curb/Alley Recycling collection, that placement did not comply with Section 110 or that as to Detachable Containers and Centralized Apartment Recycling with Section 113 and 114 respectively; provided that the Contractor shall have left a City printed tag on all material left because it was not prepared properly, it was overweight or for other reasons.

The Contractor, no later than 8:00 a.m. the next business day, must notify the City of any collections the Contractor has refused or been unable to make the previous business day via direct input into the City's billing and information system (Banner). This input shall include the service address, account number and the reason of the non-collection. This input shall be referred to as the Exception List "(EL)".

If the City transmits a miss complaint to the Contractor which is on the EL, and it is a miss which the Contractor should not collect due to the fact that the Can is overweight or contains material that should not be collected, the Contractor's office personnel shall note on the miss that the address is on the EL and note the reason that it was not collected and return the miss complaint to the City within four (4) business hours of its receipt, and the miss shall not be collected.

The Contractor shall pick up all miss complaints sent by the City by the end of the day following receipt of the miss. If the miss is on the Contractor's EL, or the miss was a late complaint call, the Contractor may charge the City for a special collection in accordance with Section 260.

If the Contractor's collection personnel return to collect a miss and the Contractor has reason to refuse the miss consistent with this Section, the Contractor shall leave a City printed tag, explaining why the material was not collected. The Contractor shall also inform the City by the end of the business day of the addresses that were not collected and the reason for the non-collection.

All miss complaints transmitted to the Contractor on Friday must be collected by the end of the day Saturday. The Contractor is authorized to collect misses after 5:00 pm on Friday to avoid the necessity of having a collection truck available on Saturday to collect these misses. However, if it appears to the City that the Contractor is not collecting these misses by the end of the day Saturday, the City has the option of contracting with another collection firm to collect these misses. The cost of this option will be deducted from the Contractor's payment.

This section applies to omitted collections of a single Structure, a row of Structures, and/or an entire route.

As used in this paragraph a collection complaint is limited to a missed Garbage, [Food Waste], Yard Waste or Recyclables collection, non-delivery of a Garbage, [Food Waste], or Recyclables collection Container within the period of time specified in this Contract, not returning collection Containers to their original location after collection and complaints regarding the purchase or lease of wheeled containers for Yard Waste collection. The City shall deduct \$15 from the Contractor's payment for every collection complaint received by the City and transmitted to the Contractor, unless the Contractor has provided a defense acceptable to the City via the Contractor EL.

During the first six months of collection, the Contractor may earn bonus payments for reductions in "Collection Complaints" (missed Garbage, Yard Waste or Recyclables collections, and not returning collection Containers to their original location after collection). The bonus payments would operate as follows:

- 1) From April 1999 through September 1999 the City will track the total number of Collection Complaints from the Collection Area. The City will divide in half the number of recycling and yard waste Collection Complaints. The Collection Misses will be calculated from CUBS entries. Collection Complaints will be calculated for each month (April 1999 through September 1999). This process will result in a "Base Monthly Complaint Total".
- 2) Beginning April 2000 through September 2000 the City will track the total number of Collection Complaints from the Collection Area. If the actual number of Collection Complaints in any individual month is below the Base Monthly Complaint Total, the Contractor will receive a bonus payment of \$15 for every complaint below the Base. However, the maximum bonus payment is equal to one half the Base Monthly Complaint Total (if the Base Monthly Complaint Total for April is 100 and the total number of Collection Complaints is 50 the Contractor would receive a bonus payment of \$750. If the total number of Collection Complaints is 40 the Contractor would still receive a bonus payment of \$750 since the maximum bonus payment is one half the Base).



### **Section 150. Supplying Garbage Cans.**

Prior to April 1, 2000 the Contractor shall provide to all customers receiving Can service, Cans that are commensurate with the customers' service level (mini cans (20 gallons), 32, 64 and 96 gallon Containers). The 32, 64 and 96 gallon Cans shall be equipped with wheels to aid in movement. Any new Cans shall contain a minimum of twenty-five percent (25%) post-consumer recycled plastic and be capable of being recycled at the end of their useful life. The City will continue to purchase micro cans (12 gallons) for customers who elect this service level.

The Contractor shall affix the customer's address to each Can prior to the first collection under this Contract. If during the term of the Contract, the address fades, or becomes unreadable, the Contractor shall reaffix the customer's address.

The Can shall be provided with instructions for proper use, including any customer actions that would void manufacturer warranties, such as placement of hot ashes in the Container causing the Can to melt, and procedures to follow to minimize potential fire problems. A pamphlet explaining the "do's and don'ts," directions for placement of the Can, and notification of the day of the week when the customer will receive collection will be provided with each Can. The Contractor shall place one City-supplied hazardous waste sticker on each Can provided.

Cans shall conform to samples or descriptions supplied to the City with the Contractor's response to the Request for Proposals, unless the City authorizes a substitution.

The Cans designated in the Contractor's proposal are approved for use under this Contract, subject to satisfaction of the Contract specification regarding instructions for proper use and procedures to follow to minimize potential fire problems.

No other Cans shall be placed into service until approved by the City.

Upon notice from the City, the Contractor shall deliver City owned micro cans, and Contractor owned mini, 32, 64 and 96 gallon Cans to occupants who move into the Contractor's Collection Area; to customers who switch to a new service level; and to customers who need a Can replacement for whatever reason. Cans shall be delivered no later than five (5) business days after notice from the City. The Contractor shall affix a label with the customer's address to all Cans delivered.

Beginning October 1, 2000, the City shall pay the Contractor \$19 for every Can delivery.

The Contractor, without charge to the City or the customer, and within twenty-four (24) hours after notice, shall replace any privately owned Cans and Can lids taken or damaged by Contractor, or reimburse the customer the cost of making a replacement.

The Contractor shall include in their monthly report to the City (Section 610) the status of all private Can replacement requests. If the Contractor fails to replace or reimburse the

customer for the cost of a private Can, the City has the option of reimbursing the customer and deducting the cost of the reimbursement from the Contractor's monthly payment.

Contractor supplied Cans become the property of the City at the conclusion of the Contract.

**Section 153. Supplying Curb/Alley Recycling Containers.**

Prior to the April 1, 2000 the Contractor shall provide 64 or 96 gallon Wheeled Containers and inserts for glass bottles and jars to all premises with Garbage Can service, with the exception of Structures currently receiving Centralized Apartment Recycling. The Contractor shall affix the customer's address to each Wheeled Container prior to delivery. Along with the Wheeled Containers, the Contractor shall deliver an instruction sheet on materials that can be recycled and how material is to be prepared as well as a collection calendar indicating the customer's collection day.

The Wheeled Containers provided for recycling collection must be of a color or configuration that clearly distinguishes them as different than any Garbage Can. Any new Wheeled Containers shall contain a minimum of twenty-five percent (25%) post-consumer recycled plastic and be capable of being recycled at the end of their useful life.

The Contractor shall provide Wheeled Containers to new program participants within five (5) business days of City notification.

Within five (5) business days of notification, the Contractor shall provide replacement Wheeled Containers to replace those damaged, destroyed, lost by the customer or stolen. If necessary to hold a customer's recycled material, the Contractor shall deliver a larger or additional Wheeled Containers within five (5) business days of notification.

Beginning October 1, 2000, the City shall pay the Contractor \$19 for every Wheeled Container delivery.

Wheeled Containers for Recyclables collection become the property of the City at the conclusion of the Contract.

**Section 155. Customers Option to Decline Recycling Container.**

After delivery of a Can for Curb/Alley Recycling, if a customer informs the City that they elect not to participate in the collection program the Contractor shall pick-up the Wheeled Container from the customer within five (5) business days of notification.

**Section 158. Supplying Detachable Containers for Garbage Collection.**

Prior to April 1, 2000, the Contractor shall provide Detachable Containers for Garbage collection to all those Structures receiving Detachable Container collection service. However, customers may elect to own or secure Detachable Containers from sources other than the Contractor, and shall not be subject to discrimination by the Contractor in collection services on that account. Detachable Containers owned or secured by

customers will be regulated by the City to ensure that they are standard Containers capable of being serviced by front, rear load, or tilt frame collection vehicles.

During the term of this Contract the Contractor shall provide three quarter, one, one and one-half, two, three, four, or six cubic yard Detachable Containers to any customer who requests their use for storage and collection of Garbage within three (3) business days after notice from the City. If the Contractor is out of a particular size of Detachable Container, the Contractor may deliver a combination of containers or collect at a collection frequency to meet the customer's needs for a period not to exceed thirty (30) calendar days. Detachable Containers of larger sizes shall be provided upon thirty (30) calendar days' notice. However, in the interim the Contractor shall supply a combination of containers, or collection frequency to meet the customer's needs.

Detachable Containers shall be located on the premises in a manner satisfactory to the customer and convenient for collection by the Contractor and shall meet the provisions of the Seattle Fire Code. Any disagreements over Container placement and collection shall be mediated by the City, whose decision shall be final and binding.

The Contractor is not required to collect from Detachable Containers if access across the customer's private property is blocked. The Contractor need not collect Detachable Containers supplied by customers unless compatible with the equipment approved for the performance of this Contract. The Contractor is not responsible for any damage to paved areas, including driveways, caused by the weight of a collection vehicle, or other damage to private property not caused by the negligence or misconduct of the Contractor.

The Contractor shall provide all collection services necessary to empty Detachable Containers attached to compactor units. These services include without limitation: disengaging the Detachable Containers from the compactor unit; maneuvering the Detachable Container to the collection truck; returning the Detachable Container to the compaction unit and reattaching it; and cleaning up any spilled Garbage.

Detachable Containers become the property of the City at the conclusion of the Contract.

#### **Section 160. Garbage Detachable Container Standards.**

Detachable Containers shall be painted a uniform color, bear the name and telephone number of the Contractor, and bear a serial number coded for Container size. Detachable Containers shall be painted at least once every 2-1/2 years and shall be steam cleaned at least once each year or as directed by the City.

On an individual basis, the City may require the Contractor to place on a Detachable Container collection day information, the service address, a collection meter, and/or wheel locks.

The Contractor is responsible for removing graffiti from its Detachable Containers. Collection drivers shall regularly note Containers containing graffiti. Contractor personnel

shall then remove reported graffiti. The Contractor shall remove any graffiti reported by the City within five (5) business days of notification.

### **Section 163. Installation and Maintenance.**

Each Detachable Container is subject to inspection by the City and approval as to appearance and condition before placement at any customer's premises.

A Detachable Container shall be reconditioned and repainted if necessary before being supplied to a customer who had not used it earlier. If the City so requires, a Detachable Container shall be cleaned or repainted within thirty (30) days.

If appropriate to serve a customer's needs and/or location, the City may require the Contractor to install and service a front-end load, rear load or drop box Detachable Container. The City may also require the Contractor to equip a Detachable Container with plastic lids.

### **Section 165. Repair or Replacement.**

Damage to Detachable Containers on customers' premises is at the Contractor's risk, rather than the City's, as between those parties and without affecting the risk or liability of others. The Contractor shall be responsible for the repair of all customer owned Detachable Containers damaged due to the Contractor's negligence. The Contractor shall repair or replace within one business day any Detachable Container that the City or a Health Department inspector determines does not comply with ordinance standards or constitutes a health or safety hazard.

### **Section 175. Lidlockable Containers.**

The Contractor within 20 days after receipt of notice from the City shall supply to each customer designated in such notice a Detachable Container fitted with a lidlock mechanism (a "lidlockable Container"), along with one padlock and one key. The Contractor's lock system shall provide at least fifty different key combinations for customers with one master key used by the collectors.

The only authorized lidlock mechanisms on Contractor-owned Detachable Containers are those installed by the Contractor. The Contractor shall have no obligation to render customer supplied Containers compatible with the Contractor's padlocks, or to supply padlocks for use with such Containers. The Contractor may decline to make collections from Containers fitted by others with locking mechanisms, whether or not such Containers are locked on the date of scheduled service, if the locking mechanisms are of a configuration that prevents or makes unreasonably inconvenient collection with the Contractor's equipment.

### **Section 180. Containers for Centralized Apartment Recycling Collection.**

The City will supply the Contractor with all collection Containers necessary for the Contractor to provide Centralized Apartment Recycling collection services under this Contract. The Contractor shall be responsible for Container storage and delivery of

Containers to customers. Collection Containers will include one, one and one half, and two cubic yard rear load Detachable Containers. The City will also supply the Contractor with stackable bins and thirty-two (32) and ninety-five (95) gallon Wheeled Containers.

Detachable Containers will be used for commingled material. Wheeled Containers or stackable bins will be provided for glass collection.

The City will be responsible for the repair and maintenance (including repainting) of all Centralized Apartment Recycling collection Containers, with the exception of Containers damaged through the negligence of the Contractor. The City may elect to (1) have the Contractor perform the repair and maintenance at the City's expense, except in cases of Contractor negligence, (2) perform the work with City forces, (3) contract with another firm for the repair and maintenance, or (4) perform any combination of (1), (2) or (3). The Contractor's shop rate for the repair and maintenance of Containers is contained in the Implementation Plan (Section 190).

The Contractor shall be responsible for picking up any Containers in need of repair (for whatever reason) from participating Structures and delivering replacement Containers within five (5) business days of notification by the City. If the City elects to repair Containers, or contracts with another firm for Container repair, Containers requiring repair or maintenance will be picked up from the Contractor's service yard. Repaired or reconditioned Containers will be delivered to the Contractor's service yard.

The Contractor shall replace or repair all City Containers damaged due to the Contractor's negligence. The Contractor and the City shall attempt to jointly determine the cause of any Container damage. However, the decision of the City concerning Contractor's negligence shall be final and binding. Any charges for Container repair or replacement due to Contractor negligence shall be deducted from the Contractor's monthly payment.

The Contractor shall provide customers with a sufficient number and type of Containers to hold all the Recyclables accumulated between collections. If there is consistently excess material, as determined by the City, the City will instruct the Contractor to, within ten (10) business days of notification, increase service by delivering a larger Container, deliver additional Containers or provide more frequent collections. The City's decision shall be final and binding.

The Contractor shall number sequentially all Detachable Containers provided for collection service under this Contract and shall supply the City with the address location of each numbered Detachable Container. The City will ensure that each Wheeled Container is sequentially numbered. The Contractor shall supply the City with the address location of each Wheeled Container.

All Containers shall bear decals containing information on the proper preparation of material. The City is responsible for supplying these decals and the Contractor is responsible for placing them on the Containers.

Within ten (10) working days of the City's request, the Contractor shall supply a locking mechanism or a padlock and key to lock Centralized Apartment Recycling collection Containers.

City supplied Containers shall remain the property of the City.

**Section 185. Delivery of Containers for Centralized Apartment Recycling.**

The Contractor shall visit customers requesting Centralized Apartment Recycling service within ten (10) business days of the Contractor's receipt of notice to determine the service necessary for the Structure. The Contractor shall deliver recycling Containers, and begin service, within twenty-five (25) calendar days of the receipt of a new service request.

The Contractor shall provide to the City each Wednesday a listing in electronic data format as determined by the City, of all Structures visited by the Contractor the previous week in connection with new service requests. The listing shall include the service address of the Structure visited, the number of units in the Structure, the estimated Container delivery date, the number and type of Containers to be delivered, the collection day(s) and location of the Containers.

**Section 190. Operations Plan.**

A schedule of activities and detailed procedures related to the effective implementation and operation of the Contract will be developed by the Contractor and the City after the Contract is signed and prior to beginning collections under the Contract. This shall be known as the "Operations Plan." This plan shall include the procedures and activities listed below and shall include completion dates for each activity.

- 1) Container order and supply schedule;
- 2) Container delivery plan and schedule, including number of Containers to be delivered per week, start and completion dates;
- 3) procedures for notifying customers of new collection days;
- 4) procedures for identifying Structures receiving either Curb/Alley Recycling, or Centralized Apartment Recycling services which would be better served receiving the other service;
- 5) procedures for retrieving Curb/Alley Recycling Containers from locations where the customer has elected to opt out of program;

- 6) procedures for transmitting information to and from the City to the Contractor;
- 7) standards for the electronic transfer of information;
- 8) Contractor's hourly shop rate for the repair and maintenance of Centralized Apartment Recycling Containers;
- 9) procedures for orientation of collection and Container delivery personnel including route coordination/cooperation with City staff; and
- 10) other items identified by the parties.

The Operations Plan shall not contain procedures, activities or schedules that conflict with any terms of this Contract.

**Section 193. Meetings and Communication.**

In order to minimize problems during implementation of the Contract, to provide a forum for discussing and resolving any operational questions or issues that may arise, and for updating the Operations Plan the parties agree to meet on a regular basis as follows:

- 1) The period from the date the Contract is executed until six months after the actual collection services begin (or such earlier date as may be mutually agreed to by the parties) shall be referred to as the "Implementation Phase". During the Implementation Phase, meetings shall be held between representatives of the parties on a weekly basis, or on such more or less frequent basis as may be mutually agreed. The primary purposes of such meetings shall be to develop and/or refine the Operations Plan, to evaluate the Contractor's performance in implementing the Contract, to evaluate Container delivery progress or problems, to air and seek resolution of complaints, to discuss any actual or perceived problems with service, and to discuss promotion, public information and public relations.
- 2) After the Implementation Phase, meetings shall be held at least on a monthly basis, unless otherwise mutually agreed to, between representatives of the parties. Such meetings shall be held for the purpose of reviewing and discussing day-to-day operations, promotion, public information and public relations.
- 3) Meetings during the Implementation Phase shall be held at the offices of the City unless otherwise agreed. Meetings held after the Implementation Phase shall be held at a location agreed upon by both parties. Each party shall be available for at least 90 minutes per meeting, unless otherwise agreed in advance. Meetings shall be held during normal business hours.

**Section 195. Program Information During Contract Start-up.**

Prior to April 1, 2000, the Contractor shall deliver to all Structures receiving service under this Contract, at least the following information:

- 1) Collection schedule information (day of week, time of day and collection frequency);
- 2) Material to be collected and how such material is to be prepared;
- 3) Date that customer should begin using any new Containers that are delivered;
- 4) Container placement information;
- 5) Any collection options available to the customer, such as different sized or additional Containers; and
- 6) Telephone number that customers should call for additional information, or for questions.

The above information shall be attached to any new collection Containers delivered to customers, or attached to an existing Container if customers will continue to use existing Containers.

The City shall approve all customer information materials, promotion and educational activities and materials developed by the Contractor in advance of their production or implementation. All public information material will conform to City promotional guidelines and include the City's program identity.

**Section 198. Recycling and Yard Waste Publicity.**

The Contractor shall:

- 1) Produce and deliver "user friendly" recycling "how to" information and promotional material to each Structure prior to the first collection;
- 2) Produce and deliver yearly updates to each Structure informing customers of any problem areas, changes in the program, and participation rates;
- 3) Provide Centralized Apartment Recycling services as follows:
  - Produce and deliver promotional posters for all Structures receiving Centralized Apartment Recycling services. The Contractor shall request permission to place promotional posters in apartment building lobbies or common areas;



- Identify and contact all Centralized Apartment Recycling Structures that are not presently participating in the service to inform them of the benefits;
- Provide training to tenants, as necessary;
- Establish a WEB page for Centralized Apartment Recycling;

The City will establish a reward target for new Structures added to the Centralized Apartment Recycling program between October 1, 1999 and December 1, 2000. The Contractor's reward target will be based on the number of Structures serviced on October 1, 1999 multiplied by a factor of 1.2. The City will pay the Contractor a one-time payment of \$2,000 for each percentage point above the reward target as of December 1, 2000. The City will penalize the Contractor \$1,000 for each percentage point below the reward target as of December 1, 2000. The City will double the reward payment if the Contractor increases the base number of Structures by a factor of 1.45.

Example:

On October 1, 1999, the service area has 1,600 Structures with Centralized Apartment Recycling. The reward target would be 1,920 Structures. The double reward target would be 2,320 Structures.

Example 1. On December 1, 2000 the service area has 1,800 Structures with Centralized Apartment Recycling. The service area is 6.25% below the reward target. The contractor would be penalized \$6,250.

Example 2. On December 1, 2000 the service area has 2,200 Structures with Centralized Apartment Recycling. The service area is 14.61% above the reward target. The contractor would be rewarded \$29,200.

Example 3. On December 1, 2000 the service area has 2,600 Structures with Centralized Apartment Recycling. The service area is above the double reward target and 35.4% above the reward target. The contractor would be rewarded \$141,600.

- 4) Provide an experienced publicity and education director to coordinate the above activities and to act as a Contractor spokesperson for media and community requests for presentations.

The City shall approve all customer information materials, promotion and educational activities and materials developed by the Contractor in advance of their production or

implementation. All public information material will conform to City promotional guidelines and include the City's program identity.

The Contractor shall place a City supplied sign, including a City customer service telephone number, on all collection trucks.

## **C. MANNER OF COLLECTION**

### **Section 200. Contractor's Responsibilities.**

The Contractor shall be responsible for furnishing all labor, materials, equipment, and supervision necessary to perform the collection, processing, marketing services described in this Contract.

### **Section 210. Employee Conduct.**

The Contractor is responsible for providing the supervision necessary to ensure that collection employees are courteous, exercise due care, do their work without delay, minimize noise, avoid damage to private property, close and relock all gates and doors that they open, replace lids on collection Containers and firmly close them, and, if on private property, follow the regular pedestrian walkways and paths; and not cross flower beds or through hedges. While collecting, employees shall wear or carry identification supplied by the Contractor. The identification shall be subject to approval of the City.

When the Contractor identifies unsatisfactory conduct by an employee or when the City notifies the Contractor of such conduct, the Contractor shall take remedial action. The remedial action shall be appropriate to the level of unsatisfactory conduct, provided that if the City requests of the Contractor by letter that an employee be suspended from further work on the Contract for Level Three unsatisfactory conduct or an uncorrected pattern of Level Two unsatisfactory conduct, the Contractor will permanently remove the employee from further work on the Contract.

Level One: Examples of Level One unsatisfactory conduct are single isolated incidents such as spillage of materials, leaving gates open, not relocking doors, walking through flower beds, not returning Containers to their original location, not replacing lids, etc.

Level Two: Examples of Level Two unsatisfactory conduct are continued incidents of Level One unsatisfactory conduct, as well as rude or abusive language to customers, inappropriate behavior in customer's presence, purposeful damage of customer property, or acceptance of a cash payment or gratuity for ignoring a Contract provision.

Level Three: Examples of Level Three unsatisfactory conduct are continued incidents of Level Two unsatisfactory conduct, as well as appearing on the job under

the influence of alcohol or drugs, fighting or menacing, throwing rocks, endangering customers or driving dangerously.

Under Level One, the City will send a written notice, via U.S. mail, fax or email, informing the Contractor of the unsatisfactory conduct. Under Level Two and Three, the City will notify the Contractor by telephone within five (5) working days of becoming aware of the incident and send a written notice, via U.S. mail, fax or email, within ten (10) working days. Written notices will identify the level of the notice, and the specifics of the incident.

The Contractor will notify the City of remedial action taken in its monthly reports. The City will cooperate with the Contractor by requiring City employees to appear in disciplinary proceedings and supplying to the Contractor the names of complaining witnesses.

#### **Section 220. Spillage.**

The Contractor shall pick up any material scattered or spilled during collection and clean up the area affected within three (3) business hours of notification of the incident. Each truck shall carry equipment (such as a broom and a shovel) for this purpose.

The Contractor shall immediately, or within one (1) hour of notification, commence clean up of any hydraulic, transmission, or other oil spill, or commence clean up of any spillage which creates a hazardous condition (such as a spillage involving glass).

#### **Section 240. Customer Grievances.**

The Contractor will designate a representative to adjudicate customer grievances. At the City's request, the representative will join the City in meeting with an aggrieved customer within 24 hours of notification to resolve a complaint about spillage, a refusal to serve or a missed pick-up, and/or other deficiency in service or a need for special service. The decision of the City shall be final and binding.

#### **Section 250. Pilot Tests.**

The City may require the Contractor to conduct pilot tests that temporarily change one or more provisions of this Contract. A pilot test is an experiment with a new collection method, and/or a different type of service or schedule, that covers no more than ten percent (10%) of the Collection Area, and continues no more than eighteen (18) months. A pilot test may require additional record keeping. The City and the Contractor shall sign a letter of agreement covering the expected cost and the pilot program duration prior to commencing any such test.

If a pilot test affects regular collections, the parties shall negotiate an adjustment of the Contract payment to reflect the benefits and/or burdens of the pilot test. The adjustment shall be set so as to capture any increase or decrease in the Contractor's direct operating costs as a result of the pilot test. "Direct operating cost" includes planning costs; labor expense, including supervision (wages, employment taxes, and fringe benefits); materials, supplies and fuel; and amortized costs of new equipment purchased for the pilot test, or equipment modified for the test.

"Direct operating cost" excludes depreciation of equipment usable elsewhere. The parties shall agree before the start of the pilot test on what equipment is usable elsewhere by the Contractor. Any equipment that is agreed to be not usable elsewhere by the Contractor shall become the property of the City, at cost, at the conclusion of the pilot test.

Increases in "direct operating costs" must be established as out-of-pocket payments by the Contractor and be capable of verification by an independent auditor.

**Section 260. Special Collections.**

From time to time, the City may require the Contractor to collect Garbage, [Food Waste], Yard Waste or Recyclables on a particular occasion on Monday through Friday as an additional service for a designated neighborhood, block or Structure. The Contractor shall make special collections on Monday through Friday within twenty-four hours after receipt of a notice from the City, or if a weekend intervenes, on the following Monday.

The Contractor will be paid the following sums for special Garbage, [or Food Waste] collections on weekdays in 2000:

	1st Unit	Additional
Garbage Cans (including micro and mini cans) bundles, and 64 and 96 gallon Wheeled Containers	\$7.50	\$2.50 EA
Three quarter yard Detachable Containers	\$8.00	\$3.00 EA
One cubic yard Detachable Containers	\$8.00	\$3.00 EA
One and one half cubic yard Detachable Containers	\$8.50	\$3.50 EA
Two cubic yard Detachable Containers	\$15.50	\$10.50 EA
Three cubic yard Detachable Containers	\$16.50	\$11.50 EA
Four cubic yard Detachable Containers	\$17.50	\$12.50 EA
Six cubic yard Detachable Containers	\$18.50	\$13.50 EA
Eight cubic yard Detachable Containers	\$20.00	\$15.00 EA
Ten cubic yard Detachable Containers	\$105.00	\$100.00 EA
Twenty cubic yard Detachable Containers	\$105.00	\$100.00 EA

For uncontained Garbage or Yard Waste, the City may:

- 1) Authorize the Contractor to determine and supply the Containers needed, and pay the Contractor according to the above-schedule for the Containers used and emptied; or,
- 2) Authorize the Contractor to provide a collection vehicle and driver/collector and pay the Contractor an hourly rate of \$75.00 and \$35.00 per hour for each additional helper.

The Contractor will be paid \$10.00 per address for special Yard Waste and Recyclables collections on weekdays during the first year of the Contract.

Beginning April 1, 2001, and each Contract year thereafter, the special collection rates will be adjusted by fifty percent (50%) of the change in the Consumer Price Index computed by the United States Department of Labor, Bureau of Labor Statistics, for the Seattle-Everett Metropolitan Area for Urban Wage Earners and Clerical Workers (CPI-W), or successor indices, covering the period January through December of each year.

Special collections are supplemental to the Contractor's regular collection services, missed and make-up collections, excess Garbage and Yard Waste collection, and bulky items and white good collections that are required by other provisions of this Contract.

**Section 270. Alternate Disposal Site.**

The City may designate an alternate transfer station for the tipping of Garbage, [Food Waste], or Yard Waste. The designation may be temporary or permanent. If the City directs the Contractor to an alternate transfer station outside of the City, the City will adjust the Contractor's payment as follows:

- 1) The Route Center for the Contractor's Collection Area shall be defined as the intersection of Fourth Avenue South and Spokane Street.
- 2) The City shall measure the distance from the Route Center to the present transfer station site, in miles, one way, along the most direct route on streets usable by collection trucks;
- 3) The City shall measure the distance from the Route Center to the alternate or new transfer station site, in miles, one way, along the most direct route on streets usable by collection trucks;
- 4) The City shall then multiply the difference in those two distances by the number of tons of Garbage, [Food Waste], and/or Yard Waste collected under this Contract and actually delivered to the alternate or new transfer station site; and

- 5) The City shall then multiply the ton-miles by the rate of \$1.00 per ton-mile.

Example:

20,000 tons of Garbage directed to the Bow Lake Transfer Station, rather than the City's South Recycling and Disposal Station.

Distance, 4th and Spokane to SRDS:	3.0 miles
Distance, 4th and Spokane to Bow Lake:	10.2 miles

Ton-miles redirected  $(10.2 - 3.0) * 20,000 = 144,000$

**Payment Adjustment, to the Contractor: \$144,000**

#### **Section 280. Monitoring Garbage and Yard Waste.**

The Contractor is responsible for monitoring the correct service level subscribed to by each customer and for collecting Yard Waste only from those Structures that are participating in the Yard Waste collection program.

Customer use of Garbage Cans above subscription level shall be treated as extra Garbage and recorded and uploaded to the City's computer system by the Contractor as extra Garbage, per Section 128.

For customers not subscribing to the Yard Waste collection service who place Yard Waste out for collection, the Contractor shall leave the Yard Waste with a notice that customers must subscribe to the service for collection, and the Contractor shall report to the City the customer's address and the amount of yard waste left.

The collectors shall carry route books, or the trucks shall have computerized information, indicating service levels for each Structure and whether the Structure is participating in the Yard Waste collection program. This information shall be current to the previous business day. The City has the right to stop a collection truck on the collection route to examine the route book or other means used to track this information. If the route book is not current, a penalty of \$100 may be imposed.

### **D. FOOD WASTE COLLECTION**

#### **Section 300. Food Waste Collection.**

The City will retain an option for the Contractor to begin separate collection of Food Waste on April 1, 2001, April 1, 2002, or April 1, 2003. The City shall notify the Contractor to begin collections at least nine (9) months prior to the initial collection date.

If the City institutes Food Waste collection, bracketed Food Waste references in this Contract apply. In addition, the Operations Plan (Section 190) will be updated to reflect Food Waste collection.

Collected Food Waste shall be delivered to Waste Management's transfer station located at 7201 West Marginal Way S.W., or such other location located within the Collection Area as the City may designate. Food Waste shall be delivered between the hours of 7:00 am to 7:00 pm.

**Section 310. Supplying Containers.**

Prior to the initiation of Food Waste collection, the Contractor shall supply those Structures subscribing to the Food Waste collection program, Containers with tight fitting lids for the storage and collection of all Food Waste. The Containers shall also contain instructions for proper use.

The Containers shall be large enough to hold all the Food Waste accumulated in a one week period and shall be suitable for storage indoors. Containers shall conform to samples or descriptions supplied to the City with the Contractor's response to the Request for Proposals, unless the City authorizes a substitution.

The Contractor shall deliver replacement Containers to replace those lost, stolen or damaged, or deliver a second or larger Container to Structures that request them within five (5) business days of receiving the request.

**Section 320. Collection of Food Waste.**

The Contractor shall collect the Food Waste in its Collection Area from Structures receiving Garbage Can service on the same day that Garbage is collected and transport the Food Waste to a transfer station, or other processing facility. The Contractor shall collect Food Waste in leak proof trucks.

Hours of collection shall be between 7:00 a.m. and 5:00 p.m., Monday through Friday unless the City authorizes a temporary extension, except as provided in Section 120 for collections in the "downtown area".

The Food Waste shall be placed at the curbside or alley for collection at the locations described in Section 110. The City may require the Contractor to provide backyard collection to those customers with physical disabilities that can't place their material at curbside or alley locations.

The Contractor and the City shall set reasonable specifications on the weight, quantity and quality of Food Waste eligible for collection. Unless otherwise agreed, a customer may place for collection:

- 1) All Food Waste including vegetative matter, meat and bones, dairy products and other material commonly referred to as Food Waste;
- 2) Paper which has been contaminated with food, fat or grease; and
- 3) Compostable paper including paper towels, paper plates, tissue and waxed paper.

The Contractor may decline to collect as Food Waste any Food Waste that is commingled with other material.

**Section 350. Food Waste Program Publicity.**

The Contractor shall devise and carry out a program to maximize customer participation in the Food Waste collection program. The content of all written materials is subject to review and approval by the City. As a minimum, to introduce the program, the Contractor shall:

- 1) Prepare, print, and circulate to all customers an informational brochure or notice explaining concisely the nature of the program, Food Waste eligible for collection, and customer requirements for participating;
- 2) Deliver program information to community newspapers, and at the request of the City, to community organizations; and
- 3) Assist the City in citywide publicity; attend interviews scheduled with the press, radio, and television; and attend meetings to explain the program.

**E. MATERIAL PROCESSING**

**Section 400. Recycling Processing Facility.**

The Contractor shall be responsible for processing all Recyclables collected under City contracts. The processing facility shall be located in an area zoned for this type of activity. Recyclables may not be deposited as Garbage at a landfill or incinerator. Marketing of the product is at the Contractor's risk, expense and profit (or loss).

The Contractor shall accept Recyclables, collected under City residential collection contracts, at the 3<sup>rd</sup> Avenue South and South Lander Street processing facility between the hours of 7:00 am to 7:00 pm. The processing facility will remain open later during periods of inclement weather if the collection trucks are collecting Recyclables after 5:00 pm. This Contract does not preclude the Contractor from accepting recyclables from other sources or from accepting recyclables at the processing facility before 7:00 am or after 7:00 pm.

The City retains an option for the Contractor to process textiles. The City will give the Contractor 90 calendar days notice prior to initiation of textiles processing. The City will



increase the Contractor's Recyclables processing rate by \$1.00 per ton if the City institutes textiles collection and processing.

The processing system shall be capable of processing the Recyclables to the degree necessary to be marketable. The system shall have sufficient capacity to receive, process, and store all materials collected in one week.

The processing facility shall conform with applicable zoning, Health Department and Puget Sound Air Pollution Control Agency regulations and any other applicable rules, regulations, or ordinances. If the Contractor is unable to meet Health Department regulations, or other pertinent state or local regulations and/or Contract stipulations, the Contractor shall arrange for processing of collected Recyclables at a facility that meets all such regulations and/or stipulations.

## **F. TRANSPORTATION AND MARKETING**

### **Section 500. Arrangements.**

The Contractor is responsible for establishing transportation and marketing arrangements for the processed materials. Equipment utilized for storage and transport of materials to markets may be owned or leased by the Contractor or other parties.

### **Section 520. Disposal Prohibition.**

The Contractor shall be prohibited from disposing of any Yard Waste, [Food Waste] or Recyclables collected under this Contract or marketing materials that the Contractor knows will be disposed of. Violation of this Contract provision may be cause for termination. The Contractor may deposit any contaminated materials at a City transfer station at no cost to the Contractor. Contamination levels for Recyclables collection will be established per the sorting procedures in Section 710.

### **Section 530. Receiving and Transporting Yard Waste.**

The Contractor shall receive and transport Yard Waste consistent with tipping specifications at the Cedar Grove composting site, contamination requirements at Cedar Grove, and Health Department regulations.

## **G. REPORTING REQUIREMENTS**

### **Section 600. Weight Receipts.**

The Contractor shall provide to the City each week the previous week's weight receipts for all materials collected each day by the Contractor in the Collection Area. Weight slips must contain gross and net weights (tare weights are not allowed), truck number, and the date and time of the weight slip. All information on weight slips must be legible or any payment due for those tonnages will be withheld. Weights must be obtained from either of the City transfer stations, certified private scales approved by the City, or other scales approved by

the City. The City has the option of requiring any private scales to be certified as frequently as monthly.

False or altered weight slips shall be cause for Contract termination.

**Section 610. Monthly, Quarterly and Annual Reports.**

The Contractor shall submit monthly reports for the length of the Contract period commencing upon Contract signing. These reports shall be due within ten working days after the end of the month. The Contractor shall not receive their monthly compensation until all items required in the report are submitted to the City. At a minimum, the reports shall include:

- 1) Summary of tonnages, and copies of individual weight receipts of all collected material;
- 2) A listing of all repeat collection complaints received by the Contractor the previous month (a repeat collection complaint is an initial collection complaint that was not resolved, or a reoccurrence of a collection complaint at the same address during a six (6) month period). This listing shall be sorted by collection route and shall include a description of steps taken by the Contractor to ensure that these particular repeat complaints are not repeated;
- 3) Number of Structures setting out Recyclables [and Food Waste] on each route;
- 4) Summary of tonnages of all processed material sold, by type of product;
- 5) Summary of tonnages of all materials sold, by material;
- 6) Summaries of weight of materials collected and disposed of due to contamination;
- 7) Average market prices based on actual sales of each material sold that month;
- 8) Status of all complaints or Contract violation notices forwarded to the Contractor by letter from the City or from customers during the month including, but not limited to:
  - replacement of Containers
  - employee misconduct
  - Contractor responses to citizen's damage claims; and
- 9) Description of progress in meeting the implementation schedule including any problems encountered and how they were resolved.

The Contractor shall submit a quarterly report within fifteen (15) working days of the close of the quarter, which shall include:

- 1) Summary of monthly data;
- 2) Detailed data to allow analysis of collection and processing efficiencies including average number of trucks used per day, average number of Structures collected per day, average tons processed per day, the practicality of making changes to the collection and/or processing system, and the strength of processing market; and
- 3) Discussion of problems and noteworthy experience in program operation;
- 4) Discussion of education and publicity efforts and their results; and
- 5) Contractor recommendations for improvements.

The Contractor shall submit an annual report on or before April 30<sup>th</sup> of the Contract year. At a minimum, the reports shall include:

- 1) A collated summary of the detailed revenue information contained in the quarterly reports, and a summary of participation rates and recovered materials for the year;
- 2) A discussion of public awareness activities and their impact on participation and recovered volumes;
- 3) A discussion of highlights and problems and measures taken to resolve problems and increase efficiency and household participation; and
- 4) The Contractor and the City will cooperatively work on annual reports to the Seattle City Council dealing with implementation and operational issues.

## **H. COMPENSATION**

### **Section 700. Payment for Collection Services in 2000.**

The City shall pay the Contractor monthly for all collection services under this Contract an amount derived by adding the amounts in 1). through 8), and subtracting 9).

- 1) **Garbage Collection:** During the first year of collections (April 1, 2000 - March 31, 2001), the sum of **\$5,973,034** for collection of Garbage from all Structures;

- 2) **Yard Waste Collection:** During the first year of collections (April 1, 2000 - March 31, 2001), the sum of **\$1,378,326** for collection of Yard Waste from all Structures subscribing to Yard Waste collection service.;
- 3) **Yard Waste Tipping and Hauling:** During the first year of collections (April 1, 2000 - March 31, 2001), an amount equal to **\$16.05 per ton**, multiplied by the number of tons delivered to the Contractor's transfer facility at 3<sup>rd</sup> Avenue South and South Lander from the Contractor's residential collection routes within the City of Seattle;

The Contractor shall deliver the Yard Waste received at the 3<sup>rd</sup> Avenue South and South Lander Street facility to the Cedar Grove yard waste processing facility located in Maple Valley, or such other alternate yard waste processing facility as the City may designate. If the City directs the Contractor to an alternate yard waste processing facility the City will adjust the Contractor's payment as follows:

- The City shall measure the distance from the 3<sup>rd</sup> and Lander Street facility to the Cedar Grove yard waste processing facility, in miles, one way, along the most direct route on streets usable by transfer trucks;
  - The City shall measure the distance from the 3<sup>rd</sup> and Lander Street facility to the alternate or new yard waste processing facility, in miles, one way, along the most direct route on streets usable by transfer trucks;
  - The City shall then multiply the difference in those two distances by the number of tons of Yard Waste collected under this Contract and actually delivered to the alternate or new processing facility; and
  - The City shall then multiply the ton-miles by the rate of **\$.67** per ton-mile;
- 4) **Recyclables Collection:** During the first year of collections (April 1, 2000 - March 31, 2001), the sum of **\$2,254,326** for collection of Recyclables from all Structures participating in the Recyclables collection service;
  - 5) **Recyclables Processing:** During the first year of collections (April 1, 2000 - March 31, 2001), an amount equal to **\$19.07 per ton**, multiplied by the number of tons of recyclables brought to the Contractor's recycling facility at 3<sup>rd</sup> Avenue South and South Lander from residential collection contracts within the City of Seattle;
  - 6) **Food Waste Collection:** If the City exercises its option to implement Food Waste Collection, beginning in the first year of that service, an amount equal

to **\$19.25 per year per household** subscribing to Food Waste collection service, plus a fixed annual payment equal to one of the following:

- **\$133,700**, if the City implements Food Waste Collection on April 1, 2001;
- **\$150,000**, if the City implements Food Waste Collection on April 1, 2002; or
- **\$174,500**, if the City implements Food Waste Collection on April 1, 2003.

All Food Waste Collection payments are expressed in year 2000 dollars. The per household payments and \$55,000 of the fixed annual payments would be adjusted for inflation through the entire Contract period. The remaining portion of the fixed annual payments would be adjusted for inflation only to the year of implementation.

- 7) The City will add payments for the following services performed:

Collection of Excess Garbage and Yard Waste	(Section 128)
Bulky Item and White Good Collections	(Section 138);
Supplying Garbage Containers	(Section 150);
Supplying Curb/Alley Recycling Containers	(Section 153);
Special Collections	(Section 260);
Pilot Tests	(Section 250);
Recycling Market Price Payments/Credits	(Section 710);

- 8) Payments, if any authorized by Contract supplements, and funds withheld earlier and now released (Section 780-785);
- 9) Deductions and withholdings under Section 770 - 785 and payments, charges, or penalties under Section 110, 128, 143, 145, 148, 150, 180, 198, 270, 280, 640, 670, and 960.

#### **Section 710. Recycling Market Price Payments/Credits.**

During the term of the Contract, the City shall pay 100% of any decrease in the following market indicators. The City shall receive a credit from the Contractor of 100% of any increase in the following market price indicators. If the market price indicator for any material falls below \$0, the City may at any time direct the Contractor to deliver the material to a City transfer station or other location within the City rather than pay the additional differential below \$0.

The percentage breakdown of the individual collected materials will be determined by a random sampling conducted every three years by the City at the Contractor's processing facility, or another location as identified by the City. Separate sorting will be conducted for Curb/Alley Recycling and Centralized Apartment Recycling. The Contractor shall fully

cooperate with the City in this sampling effort, including collecting a random sampling of structures with a separate truck and providing space at the processing facility to conduct the sorting.

The percentage breakdown of materials determined through this random sampling shall be applied to the total tons collected each month for purposes of determining the following market price payments/credits.

Tin Cans - The base price per ton is \$7.50. (In case of a quotation of a range in prices, the mid-point of the range shall serve as the market price indicator.) A monthly quotation for Pacific Northwest Steel Cans from the weekly publication Mill Trade Journal, Recycling Markets, Northbrook, IL.

Glass - The base price per ton is \$24.57 - brown, \$29.37 - clear and \$0 - green. A monthly quotation from Fibres International's glass beneficiation plant in Seattle for delivered loads of flint, amber and green glass exceeding 2500 pounds. If Fibres International's glass beneficiation plant will not accept all, or a portion of one of the above colors, that color, or portion of color, will be calculated at a \$0 value.

Newspaper - The base price per ton is \$38.62. (In case of a quotation of a range in prices, the mid-point of the range shall serve as the market price indicator.) A monthly quotation for Pacific Northwest News #6 from the weekly publication Mill Trade Journal, Recycling Markets, Northbrook, IL.

Mixed Waste Paper - The base price per ton is \$10.24. (In case of a quotation of a range in prices, the mid-point of the range shall serve as the market price indicator.) A monthly quotation for Pacific Northwest Mixed Paper from the weekly publication Mill Trade Journal, Recycling Markets, Northbrook, IL.

Aluminum Cans - The base price per ton is \$1060.23. (In case of a quotation of a range in prices, the mid-point of the range shall serve as the market price indicator.) A monthly quotation for a national price for Used Beverage Containers (UBC's) from the daily publication, American Metals Market.

PET and HDPE - The base price per ton is \$25.10. (In case of a quotation of a range in prices, the mid-point of the range shall serve as the market price indicator.) A monthly quotation for West Coast prices for "PET & HDPE mxd" from the weekly publication Waste Age's Recycling Times.

The monthly survey of prices and payments/credits operates as follows:

- 1) The first working day of each month telephone calls are made to Fibres International's glass beneficiation plant to establish the standard, or average quotation for the month for glass containers.

- 2) The tin can, mixed waste paper and news #6 quotations are taken from the Mill Trade Journal published closest to the first working day of the month.
- 3) The UBC quote is taken from the American Metals Market published on the first working day of the month.
- 4) The PET and HDPE mix quotation is taken from the Recycling Times published closest to the first working day of the month.
- 5) Price adjustments come into effect only if the survey price for any commodity deviates from the base price for the month. (For example, a market price adjustment for news #6 would apply only if the survey price for the month went above or below the base price of \$38.62/ton.)
- 6) The dollars per ton that the market survey price deviates from the base price per ton is then calculated. (For example, if the market survey price for news #6 is \$45/ton then the number to be applied in the calculation is \$6.38/ton. [ $\$45/\text{ton} - \$38.62/\text{ton} = \$6.38/\text{ton}$ ])
- 7) The number (in \$/ton) calculated in 5) above is multiplied by the total tons collected during the month for the material. For example, if 350 tons of newspaper were collected during the month, a deduction of \$2233 would be applied to the monthly payment ( $350 \text{ tons} \times \$6.38/\text{ton} = \$2233$ ).
- 8) If the market survey price in 6) above were \$32.50/ton, and 350 tons of newspaper were collected during the month, the City would add \$2142 to the monthly payment ( $\$38.62/\text{ton} - \$32.50/\text{ton} = \$6.12/\text{ton} \times 350 \text{ tons} = \$2142$ ).

## **Section 720. Adjustments in 2001 - 2007.**

The City will compute compensation payable for the contract year beginning in April 2001, and later contract years as follows:

- 1) **Garbage Collection:** The compensation for Garbage collection shall be calculated from the initial contract-year payment, multiplied by three adjustment factors: 1) the CPI, 2) tonnage of Garbage [and Food Waste] collected, and 3) numbers of Structures served.

CPI Adjustment Factor: The "CPI Adjustment Factor" will be based on the "Consumer Price Index" computed by the United States Department of Labor, Bureau of Labor Statistics, for the Seattle-Everett Metropolitan Area for Urban Wage Earners and Clerical Workers (CPI-W), or successor indices, covering the period January through December of each year.

The CPI Adjustment Factor, for the contract year beginning in April 2001, and for each subsequent contract year, will be calculated by taking **50%** of the

percentage difference between the most recent year-end CPI-W and the CPI-W value for the year ending December 1999, and adding the result to 1.0.

Tonnage Adjustment Factor: The “Tonnage Adjustment Factor” for Garbage in each contract year will be based on the estimated tonnage of Garbage [and Food Waste] collected by the Contractor from Structures in the Collection Area in the most recent calendar year, relative to the corresponding tonnage estimated to have been collected from that area during the calendar year 1999.

Tonnage shares for each area for the years 1999 and 2000 will be estimated as follows: a) the collected Garbage tonnages from each area for the period April - December, 2000, will be recorded, and used to calculate percentage shares of the City-wide Garbage tonnage for the calendar years 1999 and 2000; b) those percentages will be multiplied by the recorded total Garbage tonnages for the calendar years 1999 and 2000, to derive 1999 base year tonnages and estimated calendar year 2000 tonnages for each Collection Area. Calendar year tonnages for 2001 and subsequent years will be based on Contractor records of actual Garbage [and Food Waste] tonnage collected in the Collection Area.

The Tonnage Adjustment Factor, for the contract year beginning in April 2001, and for each subsequent contract year, will be calculated by taking **15%** of the percentage difference between the most recent calendar year's Garbage [and Food Waste] tonnage collected in the Collection Area and the Garbage estimated to have been collected from that area for the year 1999, and adding the result to 1.0.

Structure Adjustment Factor: The “Structure Adjustment Factor” for Garbage will be based on the number of Structures in the Collection Area, as estimated from initial values from the City’s Combined Utility Billing System (CUBS) database, combined with annual changes estimated from the City’s Department of Construction and Land Use (DCLU) annual summaries of residential structures permitted to be constructed and demolished.

Estimated number of Structures for the year 1999 will be based on the total accounts in the City’s CUBS database for the Collection Area as of December, 1999.

Estimated numbers of additional Structures for each Collection Area for the year 2000 and each subsequent year will be calculated by adding the cumulative number of new residential structures permitted for construction, and subtracting the cumulative number of residential structures permitted for demolition, since December 31, 1999.



The Structure Adjustment Factor, for the contract year beginning in April 2001, and for each subsequent year, will be calculated by taking 45% of the ratio between the total cumulative additional Structures in the Collection Area through the most recent calendar year and the number of CUBS accounts identified for that area in the calendar year 1999, and adding the result to 1.0.

Ancillary Services Adjustment Factor: In the second and each successive Contract year, for each 1% change in the percentage of detachable container collections that require an “ancillary service” in that year, relative to the percentage of such containers requiring ancillary service at the beginning of the first Contract year, the payment for collection of Garbage from multi-family structures will be changed in the same direction by \$3,650.

Example: Garbage Collection Payment Adjustment for Contract Year 2003

Garbage Payment Adjustment Data:

<u>Variable</u>	<u>Adjustment %</u>	<u>1999 Value</u>	<u>2002 Value</u>
CPI-W	50%	156.0	165.2
Garbage Tonnage	15%	90,063	92,734
Structures Served		78,951	
Net New Structures	45%		984
Ancillary Services	---	47%	35%

$$\begin{aligned}
 \text{CPI Adjustment Factor:} &= 1 + 50\% * (165.2/156 - 1) \\
 &= 1 + 50\% * (0.05897) \\
 &= \underline{1.02949}
 \end{aligned}$$

$$\begin{aligned}
 \text{Tonnage Adjustment Factor} &= 1 + 15\% * (92,734/90,063 - 1) \\
 &= 1 + 15\% * (0.02966) \\
 &= \underline{1.00445}
 \end{aligned}$$

$$\begin{aligned}
 \text{Structures Adjustment Factor} &= 1 + 45\% * (984/78,951 - 1) \\
 &= 1 + 45\% * (0.01246) \\
 &= \underline{1.00561}
 \end{aligned}$$

$$\begin{aligned}
 \text{Ancillary Services Adjustment} &= \$365,000 * (35\% - 47\%) \\
 &= \$365,000 * (-12\%) \\
 &= \underline{-\$43,800}
 \end{aligned}$$

$$\begin{aligned}
 \text{2003 Payment} &= \$5,973,034 * 1.02949 * 1.00445 * 1.00561 - \$43,800 \\
 &= \underline{\underline{\$6,167,393}}
 \end{aligned}$$

- 2) **Yard Waste Collection:** The compensation for Yard Waste collection shall be calculated from the initial contract-year payment, multiplied by three

adjustment factors: 1) the CPI, 2) tonnage of Yard Waste collected, and 3) number of Structures receiving Yard Waste service.

CPI Adjustment Factor: The CPI Adjustment Factor will be based on the "Consumer Price Index" computed by the United States Department of Labor, Bureau of Labor Statistics, for the Seattle-Everett Metropolitan Area for Urban Wage Earners and Clerical Workers (CPI-W), or successor indices, covering the period January through December of each year.

The CPI Adjustment Factor, for the contract year beginning in April 2001, and for each subsequent contract year, will be calculated by taking 50% of the percentage difference between the most recent year-end CPI-W and the CPI-W value for the year ending December 1999, and adding the result to 1.0.

Tonnage Adjustment Factor: The Tonnage Adjustment Factor for Yard Waste in each contract year will be based on the estimated tonnage of Yard Waste collected by the Contractor from Structures in the Collection Area in the most recent calendar year, relative to a 1999 base year tonnage defined as the average of the Yard Waste tonnage estimated to have been collected from that area during the calendar years 1998 and 1999.

Tonnage shares for each area for the years 1999 and 2000 will be estimated as follows: a) the collected Yard Waste tonnages from each area for the period April - December, 2000, will be recorded, and used to calculate percentage shares of the City-wide Yard Waste tonnage collected for the calendar years 1999 and 2000; b) those percentages will be multiplied by the recorded total Yard Waste tonnages for the defined base year 1999 and the calendar year 2000, to derive 1999 base year tonnages and estimated calendar year 2000 tonnages for each Collection Area. Calendar year tonnages for 2001 and subsequent years will be based on Contractor records of actual Yard Waste tonnage collected in the Collection Area.

The Tonnage Adjustment Factor, for the contract year beginning in April 2001, and for each subsequent contract year, will be calculated by taking **35%** of the percentage difference between the most recent calendar year's Yard Waste tonnage collected in the Collection Area and the Yard Waste estimated to have been collected from that area for the year 1999, and adding the result to 1.0.

Structure Adjustment Factor: The Structure Adjustment Factor for Yard Waste will be based on the change in the average number of Structures billed for Yard Waste service in the most recent calendar year, relative to the average number of Structures billed for Yard Waste service in the Collection Area in the calendar year 1999, as estimated from the City's Combined Utility Billing System (CUBS) database, or successor systems.

The Structure Adjustment Factor, for the contract year beginning in April 2001, and for each subsequent year, will be calculated by taking **30%** of the percentage difference between the most recent calendar year's estimate of Structures billed for Yard Waste service in the Collection Area and the number of Structures billed for Yard Waste service in the Collection Area in the calendar year 1999, and adding the result to 1.0.

- 3) **Recyclables Collection:** The compensation for Recyclables collection shall be calculated from the initial contract-year payment, multiplied by three adjustment factors: 1) the CPI, 2) tonnage of Recyclables collected, and 3) numbers of Structures receiving Recyclables collection service.

CPI Adjustment Factor: The CPI Adjustment Factor will be based on the "Consumer Price Index" computed by the United States Department of Labor, Bureau of Labor Statistics, for the Seattle-Everett Metropolitan Area for Urban Wage Earners and Clerical Workers (CPI-W), or successor indices, covering the period January through December of each year.

The CPI Adjustment Factor, for the contract year beginning in April 2001, and for each subsequent contract year, will be calculated by taking 50% of the percentage difference between the most recent year-end CPI-W and the CPI-W value for the year ending December 1999, and adding the result to 1.0.

Tonnage Adjustment Factor: The Tonnage Adjustment Factor for Recyclables collection in each contract year will be based on the estimated tonnage of Recyclables, net of contaminants, collected by the Contractor from Structures in its Collection Area in the most recent calendar year, relative to the corresponding tonnage estimated to have been collected from that area during the calendar year 1999. The contamination percentage will be determined by a sampling process, per Section 710.

Tonnage shares for each area for the years 1999 and 2000 will be estimated as follows: a) the tonnages from each area for the period April - December 2000, will be recorded, and used to calculate percentage shares of the City-wide Recyclables tonnage for the calendar years 1999 and 2000; b) those percentages will be multiplied by the recorded total Recyclables tonnages for the calendar years 1999 and 2000, to derive 1999 base year tonnages and estimated calendar year 2000 tonnages for each Collection Area. Calendar year tonnages for 2001 and subsequent years will be based on Contractor records of actual Recyclables tonnage collected in the Collection Area.

The Tonnage Adjustment Factor, for the contract year beginning in April 2001, and for each subsequent contract year, will be calculated by taking **20%** of the percentage difference between the most recent calendar year's

Recyclables tonnage collected in the Contractor's Collection Area and the Recyclables tonnage estimated to have been collected from that area for the year 1999, and adding the result to 1.0.

Structure Adjustment Factor: The Structure Adjustment Factor for Recyclables collection will be based on the number of Structures receiving Recyclables collection service in the Contractor's Collection Area, as estimated from the City's Combined Utility Billing System (CUBS) database, annual counts of structures permitted for construction or demolition by the City's Department of Construction and Land Use, and the City's Container Account Tracking System (CATS) database, or successor systems.

Estimated number of Structures with Recyclables service for the year 1999 will be calculated by adding the total CUBS accounts with Garbage Can service in the Collection Area as of December 1999 plus the CATS accounts with Centralized Apartment Recycling service that are not on Garbage Can service in the Collection Area as of December 1999.

Estimated number of additional Structures with Recyclables service for the Collection Area for the year 2000 and each subsequent year will be calculated by adding the cumulative number of new residential structures with 1-4 living units permitted by address for construction, subtracting the cumulative number of residential structures with 1-4 living units permitted by address for demolition, and adding the cumulative net change in CATS accounts with Centralized Apartment Recycling that are not on Garbage Can service, since December 31, 1999.

The Structure Adjustment Factor, for the contract year beginning in April 2001, and for each subsequent year, will be calculated by taking **55%** of the ratio between the most recent calendar year's estimate of additional Structures with Recyclables collection service the Collection Area and the number of Structures with Recyclables collection service estimated for the calendar year 1999, and adding the result to 1.0.

- 4) **Food Waste Collection:** The per subscribing household compensation for this element shall be calculated from the initial contract-year per household payment, multiplied by the CPI adjustment factor.

CPI Adjustment Factor: The CPI Adjustment Factor will be based on the "Consumer Price Index" computed by the United States Department of Labor, Bureau of Labor Statistics, for the Seattle-Everett Metropolitan Area for Urban Wage Earners and Clerical Workers (CPI-W), or successor indices, covering the period January through December of each year.

The CPI Adjustment Factor, for the contract year beginning in April 2001, and

for each subsequent contract year, will be calculated by taking 50% of the percentage difference between the most recent year-end CPI-W and the CPI-W value for the year ending December 1999, and adding the result to 1.0.

**Section 730. Payment Procedure.**

The Contractor shall submit monthly invoices to the City within ten working days from the end of the month. These invoices shall itemize the monthly amounts due, including any additional payment for special services or deductions. Copies of any weight slips required must precede or accompany invoices. Weight slips must contain the gross and net weights for individual truck trips. Tare weights are not acceptable. Payment will be due three (3) weeks after receipt of properly documented Contractor invoices.

**Section 750. Wage Increases for Employees.**

All wage increases for collectors or any other employees of the Contractor granted during the term of this Contract shall be the sole responsibility of the Contractor. Any benefits or added costs resulting from changes in technology, laws and regulations, labor practices, availability of equipment, and other foreseeable business risks that may affect the performance of this Contract shall be to the Contractor's advantage or expense respectively, except as noted herein.

**Section 755. Prevailing Rate of Wage.**

The Contractor shall ensure that all Contractor and subcontractor collectors and recycling processing workers performing work under this Contract are paid not less than the prevailing rate of wage for the same trade or occupation as set by the City. The term "collectors" includes drivers, swampers, and others working on Garbage, Yard Waste, [Food Waste], and Recyclables collection; it excludes office workers and management. If a collector, during the same pick-up, is collecting both Garbage and Recyclables, or Yard Waste and Recyclables (co-collection), he/she must be paid the highest prevailing rate of wage for collection.

The term, "prevailing rate of wage" includes the hourly wage, usual benefits and overtime paid in the locality as defined in RCW 39.12.010(b). The Contractor's duty to pay the prevailing rate of wage, and to ensure that subcontractors pay the prevailing rate of wage is absolute and mandatory. No worker may waive full compliance or accept a lesser sum.

The prevailing rate of wage, as of 4/1/2000, for Garbage, [Food Waste] and Yard Waste collectors, workers collecting Recyclables, and recycling processing workers is listed in Appendix A. This appendix will be updated and reissued in June, 2000 with an effective date of July 1, 2000, to reflect any changes in effect on April 1, 2000. The prevailing wage will then be updated on a yearly basis thereafter.

Within thirty (30) days of starting collections on this Contract and thereafter on a yearly basis, the Contractor shall supply to each collector and recycling processing worker (including employees of the subcontractor) a copy of the prevailing wage. The Contractor

shall also supply a copy to each new employee or temporary employee. The information shall be in both Spanish and English.

Should an employee prevail in suit against the Contractor for wages or benefits due and establish that his or her wages paid were less than the prevailing rate of wage set forth in Appendix A, the Contractor shall pay to the employee, in addition to the wages or benefits due and accrued interest, a reasonable attorney's fee, expert witness' fee, and court costs, as well as any other damages that may be awarded.

Under-payment of prevailing wages shall be a material default of the Contract.

**Section 760. Hiring Preference.**

The Contractor and subcontractors shall give hiring preference to any Garbage, Yard Waste or Recyclables collection workers who are displaced as a result of the City awarding this Contract.

**Section 765. Payroll Records and Reports.**

The Contractor and subcontractors shall keep complete and accurate payrolls containing the following information with respect to each collector or recycling process worker employed upon or in connection with this Contract:

- 1) Name and residence address;
- 2) Classification of work;
- 3) City route number;
- 4) Number of hours employed each day, as verified by a timeclock record;
- 5) Total number of hours employed each payroll period, as verified by a timeclock record;
- 6) Rate of wages;
- 7) Total amount earned;
- 8) All deductions;
- 9) Net amount paid; and
- 10) Funds paid by employer for prevailing benefits.

All employees shall be paid in lawful money of the United States, in the full amount accrued to each employee at the time of closing the payroll.

The Contractor's and subcontractor's payroll records shall be available for inspection by City staff during office hours at the Contractor's Seattle office.

The Contractor and subcontractor shall file with the City an authenticated copy of each payroll together with timeclock records and other above information, in a form and frequency as determined by the City.

The City shall withhold payment on all estimates for work performed by the Contractor under this Contract until: (1) all payroll reports, with the above information of said

Contractor and subcontractor for work performed have been filed with the City; and (2) all employees doing collection and recycling processing work under this Contract have been paid the prevailing rate of wage as determined by the City.

**Section 770. Withholding and Payment of Tax Liens and Judgments.**

The City may withhold and pay to the United States of America or to any federal court, or the State of Washington or any state court, the amount claimed in a levy filed by the United States Internal Revenue Service or the Washington State Department of Revenue, respectively; the amount directed by a writ of garnishment, writ of attachment, or writ of execution, or by an order of a Bankruptcy Court, and/or by any court order, each for monies claimed from the Contractor. When presented such an order, the City may in its discretion institute interpleader proceedings. The City may make a payment in conjunction with the interpleader action to the appropriate court. Payments so made or deposited into the registry of the court shall be satisfaction of payment due to the Contractor.

**Section 775. Withholding and Payment to Workers.**

If any worker doing collection or recycling processing work for the Contractor (or any subcontractor) shall be paid by a postdated check, a check presented and dishonored for insufficient funds on account, or other negotiable instrument or promissory note that is not payable on the worker's regular payroll date or paid when presented, the worker may present the unpaid document to the City and request payment directly from the City. The City shall contact the Contractor, and if payment is not made within twenty-four hours, the City may issue a warrant drawn on the City for the amount of the unpaid wages and the City shall deduct the amount paid, together with a service charge of Thirty Dollars (\$30.00) per warrant from the next succeeding payment to be made to the Contractor.

**I. EQUAL OPPORTUNITY/NON-DISCRIMINATION**

**Section 800. Equal Employment Opportunity.**

The Contractor shall not discriminate against any employee or applicant for employment because of race, religion, creed, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any sensory, mental or physical handicap, unless based upon a bonafide occupational qualification. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their creed, religion, race, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to the following: employment, upgrading, promotion, demotion, or transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause.

#### **Section 810. Equal Employment Opportunity - Implementation.**

The Contractor shall obtain in writing from each subcontractor or participant in a joint venture an affirmative action policy or program and retain such written policy or program for inspection by the Seattle Executive Services Department.

The Contractor and each subcontractor or joint venturer performing work under this Contract shall prepare for and submit monthly to the City's Executive Services Department reports that document compliance with the provisions of Section 700 (SMC 20.44.030). All reports shall be in such form as may be specified by the Executive Services Department.

The Contractor shall be responsible for the compliance of subcontractors or joint venturers. Appropriate sanctions for noncompliance will be imposed on the Contractor. The requirements for the Contractor apply to subcontractors, regardless of tier. The Contractor's responsibility includes obtaining equal employment opportunity documentation from subcontractors or joint venturers and reviewing the same as to validity and compliance. The Contractor shall submit such documentation concurrent with the Contractor's own submittals.

The Contractor will, prior to commencement and during the term of this Contract, furnish to the Director of Executive Services (as used herein "Director" means the Director of the Executive Services Department or his/her designee) upon his/her request and on such form as may be provided by the Director therefore, a report of the affirmative action taken by the Contractor in implementing the terms of these provisions, and will permit access to his/her records of employment, employment advertisements, application forms, other pertinent data and records requested by the Director for the purposes of investigation to determine compliance with this provision. If upon investigation the Director finds probable cause to believe that the Contractor has failed to comply with any of the terms of these provisions, the Contractor and the Director of SPU shall be so notified in writing. The Director of SPU shall give the Contractor an opportunity to be heard, after ten days' notice. If the Director of the SPU concurs in the findings of the Director, the Director of the SPU may suspend the Contract and/or withhold any funds due or to become due to the Contractor, pending compliance by the Contractor with the terms of these provisions. Failure to comply with any of the terms of these provisions shall be a material default of this Contract.

The foregoing provisions will be inserted in all subcontracts for work covered by this Contract.

#### **Section 820. Contractor's Hiring Goals.**

Without granting preferential treatment on the basis of gender, and without compromising the Contractor's commitment to equal opportunity in employment practices, the Contractor agrees to use good faith efforts to ensure there are fair opportunities for women to participate in its workforce. The Contractor shall provide the City of Seattle Executive Services Department with quarterly reports demonstrating its good faith efforts to comply with this goal and with SMC 20.44.10. These reports will be shared with the Seattle City Council on an annual basis.



Good Faith Effort as used in this Section refers to the Contractor's affirmative efforts to ensure there are fair opportunities for qualified women to participate in the non-traditional aspects of the solid waste collection industry.

Evidence of the Contractor's Good Faith Efforts shall include but will not be limited to:

- 1) Efforts to ensure awareness by women of employment opportunities in the industry through (1) providing materials to be circulated and distributed concerning the breadth of opportunities, including notices of full and part-time position openings and (2) making clear to potential applicants the Contractor's commitment to bring more eligible employees into its workforce, regardless of gender;
- 2) Efforts to assist all employees without regard to gender in being able to handle the physical demands of the job through (a) training in safety procedures, (b) training in proper lifting techniques and other injury prevention measures, and (c) training in driving and operating equipment; and
- 3) Efforts to maintain an equal opportunity work environment by (a) having regular and semi-annual planning/training sessions with workers outlining the Contractor's policy prohibiting sexual harassment and its intention to strictly enforce the policy, (b) offering women employees training to mitigate possible intimidating aspects of being the first female members of a traditionally male dominated occupation, (c) offering training in increased productivity methods, and (d) providing special training to supervisory personnel for purposes of EEO and sexual harassment policy implementation.

**Section 850. Non-Discriminatory Service.**

The Contractor will not discriminate against any customer or City resident in the provision of service or quality of service on account of race, religion, creed, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any sensory, mental, or physical handicap, unless based upon a bona fide qualification to or for service. The Contractor shall provide the same good quality service throughout the Collection Area without regard to racial, ethnic, or cultural characteristics or relative standard of living of the neighborhood.

**J. SECURITY; LIABILITY; DAMAGES**

**Section 900. Performance Bond.**

The Contractor shall provide and maintain at all times a valid Contractor's Performance and Payment Bond for Three Million Dollars (\$3,000,000). The bond shall be issued for a period of not less than one year and the Contractor shall provide a new bond, or evidence

satisfactory to the City of the renewability of the current bond at least 180 calendar days before it expires.

The initial performance bond must be in place on or before ten (10) days after execution of the Contract by the parties.

The bond shall be for the use and benefit of the City, with a surety company authorized to do business in the State of Washington and acceptable to the City. Said bond shall be conditioned that such Contractor shall faithfully perform all of the provisions of this Contract and pay all laborers, mechanics, subcontractors, material men and all persons who shall supply such Contractor or subcontractors with provisions and supplies for the performance of this Contract, and shall be further conditioned that any person(s) performing such work or services, said bond shall contain appropriate recitations that it is issued pursuant to this Section of this Contract, that it shall be construed to meet all requirements specified herein and that any condition or limitation in such bond which is in conflict with the conditions and requirements of this Section is void. Such bond shall be submitted to, and subject to approval of the City Attorney's Office prior to its effective date.

Failure of the Contractor to furnish and maintain said Performance and Payment Bond shall be considered a material default of this Contract and grounds of its immediate termination at the option of the City.

#### **Section 910. Default of Contractor.**

This Section is independent, notwithstanding any other provisions of this Contract. The Contractor may be held in material default of the Contract in the event the Contractor:

- 1) Fails to perform ninety percent (90%) the collections required by this Contract and appears, to the City, to have abandoned the work, or to be unable to resume collections within forty-eight hours;
- 2) Has failed on three or more occasions of three (3) working days duration each, in any year, or fifteen (15) days in a calendar year to perform the collections required by the Contract; except as provided in Section 143;
- 3) Is unable to accept, for any period of time Recyclables for processing and as a result of such non-acceptance, collection of Recyclables is suspended;
- 4) Under pays prevailing wages per Section 755;
- 5) Fails to comply with the terms of Section 810, Equal Employment Opportunity;
- 6) Fails to furnish and maintain a Performance and Payment Bond per Section 900;

- 7) Fails to furnish and maintain the Insurance requirements per Section 940; or
- 8) Repeatedly neglects, fails, or refuses to comply with any of the material terms of the Contract, after having received notice of its obligation to do so.

To initiate proceedings under this Section, the City shall give notice to the Contractor and its surety of the location, time, and date within the following seven calendar days of a public hearing at which the Contractor may show cause why it should not be declared in default or why it should be given the opportunity to cure said default. In the event the Contractor fails to show, to the reasonable satisfaction of the City, why the Contractor should not be declared to be in default of this Contract, the City may make a declaration of default. In evaluating whether to make such a declaration of default, the City shall, in its discretion, consider the severity of the alleged violations, and the overall performance of the Contractor under the Contract.

In declaring the Contractor to have defaulted on the Contract, the City also may order the Contractor to discontinue further performance of work under the Contract and transfer the obligation to perform such work from the Contractor to the surety on the Contractor's performance bond and take any other action it deems advisable.

Upon receipt of a notice that the work has been transferred to the surety without termination of the Contract, the surety shall take possession of all materials and equipment described in the most recent inventory submitted to the City pursuant to Section 65 hereof, for the purpose of completing the work under the Contract; employ, by contract or otherwise, any person and all persons needed to perform the work; and provide materials and equipment required therefor. Such employment shall not relieve the surety of its obligations under the Contract and the bond. If there is a transfer to the surety, payments shall be made to the surety or its agent for all work performed under the Contract subsequent to such transfer, in amounts equal to those that would have been made to the Contractor had it performed in the manner and to the extent of the surety's performance, and the Contractor shall have no claim upon the same.

In the event the surety on the Contractor's performance bond fails to assume or continue performances within 48 hours after its receipt of notice that the work has been transferred to such surety, the Contractor shall lease, sublease or otherwise license the City to use all, or whatever portion is desired by the City, of the materials and equipment described on the most recent inventory submitted to the City pursuant to Section 65 hereof, for collection [and processing] purposes for a period of up to six months following the date of the declaration of default by the City without requiring the City to execute any other document whatsoever to accomplish such lease, sublease, or license and without requiring the City to post any bond, pledge, deposit or other security for such equipment and materials, but upon the condition that the City pay for the equipment and materials actually used for such collection a market rental that is no greater than (i) the monthly lease, in the event such property is leased by the Contractor, (ii) the periodic installment, in the event such property is being acquired under a purchase contract, (iii) the periodic financing interest and

principal, in the event such property is being acquired under a purchase contract, or (iv) the periodic interest and principal, in the event such property is being acquired under a financing arrangement; provided, that under no circumstances shall the City be liable during its use of such property for any arrearages, balloon payment, accrued interest, accelerated charges in the event of a default, or other extraordinary payment; nor shall the satisfaction thereof be a condition of the City's interim use of such property; provided, further, that such lease, sub-lease, or license shall be suspended the date the surety on the Contractor's bond or its agent accepts the transfer of work under the Contract.

In the event the City secures the performance of work under the Contract at a lesser cost than would have been payable to the Contractor had the Contractor performed the same, then the City shall retain such difference; but in the event such cost to the City is greater, the Contractor and its surety shall be liable for and pay the amount of such excess to the City.

All payments due the Contractor at the time of default, less amounts due the City from the Contractor, shall be applied by the City against damages suffered and expense incurred by the City be reason of such default, any excess shall be paid to the Contractor unless otherwise provided herein.

Notwithstanding the provisions of this Section, a delay or interruption in the performance of all or any part of the Contract resulting from causes beyond the Contractor's control shall not be deemed to be a default and the rights and remedies of the City provided for herein shall be inapplicable; provided that labor disputes shall not be considered a cause beyond the Contractor's control.

#### **Section 920. Commitment of Equipment.**

Unless a replacement or substitute is provided, all vehicles, facilities, equipment and property identified in the Contractor's inventory under Section 65 for use in the performance of this Contract (called "such property") shall be available for use in collecting Garbage, [Food Waste], Yard Waste and Recyclables in the Collection Area, and shall be available for use in processing Recyclables for the duration of this Contract. When provided, this Section applies to the replacement and substitute.

For the duration of this Contract, any document (including a lease to or by the Contractor, financing contract, acquisition over time, mortgage, or other instrument establishing a security interest) that encumbers or limits the Contractor's interest in such property shall:

- 1) Allow the surety on the Contractor's performance bond to take over the Contractor's obligations and to continue the use of the equipment in service for performance of the Contract;
- 2) In event the Contractor is in default and the surety on the Contractor's performance bond fails to assume or continue performance within 48 hours after notice to do so, allow the City to use without further documentation all or

a portion of such property, at the City's discretion, for a period of up to six months following the date of the City's declaration of default, to provide such collection services on the condition that the City pays to the City's lessor a market rental for the equipment or property actually used in an amount no greater than the monthly lease in event of a lease, the installment payment in event of a purchase contract, or the monthly interest and principal in event of a financing arrangement;

- 3) Exempt the City from liability during its usage of such property for arrearages, balloon payments, accrued interest, accelerated charges on account of a default, or other extraordinary payments, and not make satisfaction thereof a condition of the City's interim usage; and
- 4) Forbid any foreclosure, trustee's sale or other dispossession of the Contractor's interest in such property without giving both the City and surety on the Contractor's performance bond sixty days' prior notice, and then make any termination of the Contractor's interest in such property pursuant to such action or the enforcement thereof subject to the requirements of subSections 1), 2) and 3) of this Section.

To assure compliance with this Section, the Contractor shall submit to the City for its review and approval or disapproval prior to execution all contracts, leases, or other documents for acquisition of, or encumbering or limiting the Contractor's interest in, such property or for replacements thereof and any proposed agreement that would encumber or transfer any interest of the Contractor in such property before the Contractor's execution of such agreement. The City's approval shall not be unreasonably withheld.

#### **Section 940. Insurance.**

Contractor shall at all times during the term of this Contract, obtain and maintain continuously, at its own expense, and file with the City and the City's Risk Manager, evidence of a policy or policies of insurance as enumerated below:

- 1) A policy of **Commercial General Liability Insurance**, written on an insurance industry standard occurrence form (CG 00 01), including all the usual coverages known as:
  - Premises/Operations Liability
  - Products/Completed Operations
  - Personal/Advertising Injury
  - Contractual Liability
  - Independent Contractors Liability
  - Stop Gap/Employers Contingent Liability
  - Explosion, Collapse, or Underground (XCU)
  - Fire Damage

Such policy(ies) must provide the following minimum limit:

Bodily Injury and Property Damage -

\$ 2,000,000	General Aggregate
\$ 2,000,000	Products & Completed Operations Aggregate
\$ 1,000,000	Personal & Advertising Injury
\$ 1,000,000	Each Occurrence
\$ 100,000	Fire Damage

Stop Gap Employers Liability

\$ 1,000,000	Each Accident
\$ 1,000,000	Disease - Policy Limit
\$ 1,000,000	Disease - Each Employee

If a claims made policy is used, it must have an unaltered extended discovery period provision.

- 2) A policy of **Business Automobile Liability**, including coverage for owned, non-owned, leased or hired vehicles written on an insurance industry standard form (CA 00 01) or equivalent, and as specified by Insurance Services Office Symbol 1 (any auto)., an MCS 90 endorsement and a CA 9948 endorsement attached if "pollutants" as defined in exclusion 11 of the commercial auto policy are to be transported.

Such policy(ies) must provide the following minimum limit:

Bodily Injury and Property Damage -

\$ 1,000,000	per person
\$ 2,000,000	per occurrence

- 3) A policy of **Worker's Compensation**. As respects Workers' Compensation insurance in the State of Washington, the Contractor shall secure its liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington. If the Contractor is qualified as a self-insurer in accordance with Chapter 51.14 of the Revised Code of Washington, Contractor shall so certify by a letter signed by a corporate officer and setting forth the limits of any policy of excess insurance covering its employees. The Contractor further waives, with respect to the City only, its immunity under RCW Title 51, Industrial Insurance, of the Revised Code of Washington.

Any deductible or self-insured retention must be disclosed and is subject to approval by the City's Risk Manager. The cost of any claim payments falling within the deductible shall be the responsibility of the Contractor.

If any such policy is written on a claim made form, the retroactive date shall be prior to or coincident with the effective date of this contract. The policy shall state that

coverage is Claims Made, and state the retroactive date. Claims made form coverage shall be maintained by Contractor for a minimum of two years following the expiration or earlier termination of this contract, and Contractor shall annually provide the City with proof of renewal. If renewal of the claims made form of coverage becomes unavailable, or economically prohibitive, Contractor shall purchase an extended reporting period ("tail") or execute another form of guarantee acceptable to the City to assure financial responsibility for liability for services performed.

1) **Additional Insured and Primary Insurance Provisions:**

Such insurance, as provided under items (1), (2), above, shall be endorsed to include the City of Seattle, its officers, elected officials, employees, agents and volunteers as additional insured, and shall not be reduced or canceled without forty-five (45) days prior written notice to the City. In addition, Contractor's insurance shall be primary as respects the City, and any other insurance maintained by the City shall be excess and not contributing insurance with the Contractor's insurance.

2) **Evidence of Insurance:** The following documents must be provided as evidence of insurance coverage:

- A copy of the policy's declarations pages, showing the Insuring Company, policy effective dates, limits of liability and the Schedule of Forms and Endorsements.
- A copy of the endorsement naming The City of Seattle as an Additional Insured, showing the policy number, and signed by an authorized representative of the insurance company for Business Auto Liability, and for the Commercial General Liability policy a Form CG2010 (ISO) or equivalent.
- A copy of the "Endorsements Form List" to the policy or policies showing endorsements issued on the policy, and including any company-specific or manuscript endorsements.
- A copy of an endorsement stating that the coverages provided by this policy to the City, or any other named insured shall not be terminated, reduced or otherwise materially changed without providing at least forty-five (45) days prior written notice to the City of Seattle.
- A copy of A "Separation of Insureds" or "Severability of Interests" clause, indicating essentially that - except with respect to the limits of insurance, and any rights or duties specifically assigned to the first named insured, this insurance applies as if each named insured were the only named insured, and separately to each insured against whom

claim is made or suit is brought (Commercial General Liability & Business Automobile Liability Insurance).

- 3) **Policy Rating**: All policies shall be subject to approval by the City's Risk Manager as to company (must be rated A-:VII or higher in the A.M. Best's Key Rating Guide and licensed to do business in the State of Washington or issued as a surplus line by a Washington Surplus lines broker), form and coverage, and primary to all other insurance.
- 4) **Self-Insurance**: Should Contractor be self-insured, under item (1), (2) and (3) above, a letter from the Corporate Risk Manager, or appropriate Finance Officer, is acceptable - stipulating if actuarially funded and fund limits; plus any excess declaration pages to meet the contract requirements. Further, this letter should advise how Contractor would protect and defend the City of Seattle as an Additional Insured in their Self-Insured layer, and include claims handling directions in the event of a claim.
- 5) **Subcontractors** - Contractor shall include all subcontractors as insureds under its policies or shall furnish separate evidence of insurance as stated above for each subcontractor. All coverages for subcontractors shall be subject to all the requirements stated herein and applicable to their profession.

Failure of the Contractor to furnish and maintain said Insurance requirements shall be considered a material default of this Contract

#### **Section 950. Indemnity.**

The Contractor(s) shall defend, indemnify and save harmless The City of Seattle and the City's officers, employees and agents from any and every claim and risk, and from all losses, damages, demands, suits, judgments and attorney fees, and other expenses of any kind (collectively "losses"), on account of injury to or death of any and all persons (including but not limited to the Contractor, its agents, employees, subcontractors and their successors and assigns as well as the City or the City's agents, and all third parties), and/or on account of all property damage of any kind, whether tangible or intangible, including loss of use resulting therefrom, in connection with or related to the work performed under this Contract, or in connection with or related to (in whole or in part by reason of) the presence of the Contractor or its subcontractors, or their property, employees or agents, upon or in proximity to the property of The City of Seattle, or any other property (upon which the Contractor is performing any work called for), except only those losses resulting solely from the negligence of The City of Seattle.

For purposes of the Contractor's obligations under this Section 950, the Contractor hereby waives its immunity under industrial insurance, Title 51 RCW. The Contractor agrees that this waiver was specifically and mutually negotiated by the City and the Contractor.



**Section 960. Liquidated Damages.**

This Section is independent of Section 910. The acts or omissions in the left hand column are a breach of this Contract; the amounts in the right hand column are set as Liquidated Damages. Liquidated Damages may be deducted from the monthly payment to the Contractor.

<b><u>OMISSION</u></b>	<b><u>LIQUIDATED DAMAGE</u></b>
1. Commencement of collection prior to 7:00 a.m. except as expressly permitted herein.	\$100 per incident (each truck on each route is a separate incident)
2. Failure to collect spillage consistent with the provisions of Section 220.	\$10 per incident
3. Failure to collect missed Garbage, [Food Waste], Yard Waste or Recyclables, or paid specials, within one business day (including Saturday) after a make-up request is given to the Contractor.	\$25 each incident to a maximum of \$250 per truck per day for Garbage Can, Yard Waste or Curb/Alley Recycling, \$50 each incident per Detachable Container
4. Collection from Structures on other than the day specified per Section 123, including early collection due to a holiday.	\$20 per Structure, to a maximum of \$500 per truck per day
5. Missed collection of whole block. (This excludes collections prevented by weather and holiday rescheduling.) A whole block miss is defined as missing 3 or more houses on the same side of the street or alley between two streets.	\$150 per whole block
6. Failure to deliver $\frac{3}{4}$ , 1, 1 $\frac{1}{2}$ , 2, 3, 4, or 6 cubic yard Garbage Detachable Containers to new or remodeled Structures within five (5) business days of notification; failure to deliver Containers of larger sizes within thirty (30) calendar days.	\$50 per Container per day
7. Failure to deliver Detachable Containers for Garbage or Centralized Apartment Recycling collection to replace those needing repair or replacement within five (5) business days of notification.	\$25 per Container per day

- |   |                            |
|---|----------------------------|
| 8. Failure to provide additional Detachable Containers or Wheeled Containers for either Garbage or Centralized Apartment Recycling, provide proper Containers or increase collection frequency within ten (10) business days of notification.   | \$25 per Container per day |
| 9. Failure to deliver Centralized Apartment Recycling Containers to new participating Structures within 25 calendar days of the receipt of the new sign-up request.   | \$25 per Container per day |
| 10. Failure to deliver or replace micro cans, mini cans, 32, 64 and 96 gallon Garbage Cans or Curb/Alley Recycling Wheeled Containers for any reason within five (5) business days of notification.   | \$25 per Container per day |
| 11. In addition to progressive discipline in Section 210, unsatisfactory performance of collector after two (2) notices to Contractor to correct specific incidences involving the same address or collector in any six (6) month period, e.g. leaving gates or doors open, crossing planted areas, abusive language to customers, failure to return Containers to their original location after collection, failure to perform collections, or similar violations. | \$200 each incident        |
| 12. Any additional misses within one (1) year after Contractor's receipt of 2 <sup>nd</sup> notice regarding non-collection.  | \$200 each incident        |
| 13. Failure to provide 98% of all Garbage Containers for Garbage collection or Containers for Recyclables collection prior to April 1, 2000.  | \$25,000 per day           |

In addition to the above damages, the Contractor shall not be paid for work not performed. If the Contractor, for any reason, fails to make collections called for in the Contract for any period (except as provided for elsewhere in this Contract), with the result that any portion of the scheduled collection is not completed within a given calendar week, the City shall deduct, for such nonperformance, a reasonable amount from the Contractor's next monthly payment(s), which amount shall be based on, among other factors, the number of Structures from which collections have not been made, the duration of such failure of collection, and special costs including administrative expenses incurred by the City as a consequence of such failure.

## **K. ANCILLARY PROVISIONS**

### **Section 1000. Assignment or Pledge of Moneys by the Contractor.**

The Contractor shall not assign or pledge any of the monies due under this Contract without securing the written approval of the surety on the performance bond and providing at least thirty (30) calendar days' prior notice to the City of such assignments or pledge together with a copy of the surety's approval thereof. Such assignment or pledge, however, shall not release the Contractor or its sureties from any obligations or liabilities arising under or because of this Contract.

### **Section 1010. Assignment; Subcontracting; Delegation of Duties.**

Except for the subcontracting identified in the Contractor's proposal, the Contractor shall not assign or subcontract or transfer any of the work or delegate any of its duties under the Contract without the prior written approval of the City, which approval may be withheld in the City's sole discretion. Notwithstanding the forgoing, the City's approval for subcontracting shall not be unreasonably withheld if the Contractor proposes to assign or transfer this Contract to an affiliate of the Contractor or to Contractor's parent corporation, provided that Contractor can establish to the reasonable satisfaction of the City that (a) the assignee or transferee will operate the Contract in substantially the same manner as the Contractor, will use substantially the same management and collection personnel as Contractor, and possesses substantially the same financial capability as Contractor and (b) the assignee or transferee is not affiliated in any way with the company that has a contract for residential collection with the City for the portion of the City outside the Contractor's Collection Area..

In the event of an assignment, subcontract or delegation of duties, the Contractor shall remain responsible for the full and faithful performance of this Contract and the assignee, subcontractor, other obligor shall also become responsible to the City for the satisfactory performance of the work assumed. The City may condition its approval upon the delivery by the assignee, subcontractor or other obligor of its covenant to the City to fully and faithfully complete the work or responsibility undertaken.

During the term of this Contract, the Contractor shall not have an ownership interest in any other company that has a contract for residential collection with the City.

### **Section 1020. Audit.**

The Contractor and subcontractors shall maintain in its office in King County full and complete accounting records, prepared in accordance with generally accepted accounting principles, reflecting Contractor's work on this Contract. The City may require an audit of such books and records at any reasonable time. Such audit will be conducted by one of the following firms or their successor or assignees:

Deloitte & Touche  
Arthur Andersen & Co.  
Ernst and Young

KPMG Peat Marwick  
Price Waterhouse Coopers

or by another reputable, competent certified public accounting firm with experience in auditing public service companies selected by mutual agreement of the City and the Contractor.

Audit information will be kept confidential, except as disclosure may be required by public disclosure laws.

**Section 1030. Contract Rights.**

The parties reserve the right to amend this Contract from time to time by mutual agreement in writing.

Rights under this Contract are cumulative, and in addition to rights existing at common law.

Payment by the City and performance by the Contractor do not waive their contract rights.

Failure by either party on any occasion to exercise a contract right shall not forfeit or waive the right to exercise the right another occasion. The use of one remedy does not exclude or waive the right to use another.

**Section 1040. Interpretation.**

This Contract shall be interpreted as a whole and to carry out its purposes. This Contract is an integrated document and contains all the promises of the parties; no earlier oral understandings modify its provisions.

Captions are for convenient reference only. A caption does not limit the scope or add commentary to the text.

**Section 1050. Law; Venue.**

The laws of the State of Washington and Charter and Ordinances of the City shall govern the validity, construction and effect of this Contract. The venue for any claims, litigation, or causes of action between the parties shall be in the Superior Court of the State of Washington for King County.

**Section 1060. Notices.**

All official notices or approvals shall be in writing. Unless otherwise directed, notices shall be delivered by messenger, by certified or registered mail, return receipt requested, or by fax to the parties at the following respective addresses:

To the City:

The City of Seattle  
Seattle Public Utilities  
505 Dexter Horton Building  
710 - 2nd Avenue  
Seattle, Washington 98104

To the Contractor:

U.S. Disposal II  
200 – 112<sup>th</sup> Avenue N.E.  
Suite 300  
Bellevue, Washington 98004  
Phone: (425) 646-2400

Phone: (206) 684-7666  
Fax: (206) 386-0096

Fax: (425) 646-2440

Either party may from time to time designate a new address for notices. Unless a return receipt or other document establishes otherwise, a notice sent by U.S. Mail shall be presumed to be received the second business day after its mailing.

**Section 1070. Severability.**

Should any term, provision, condition, or other portion of this Contract or its application be held to be inoperative, invalid or unenforceable, and the remainder of the Contract still fulfills its purposes, the remainder of this Contract or its application in other circumstances shall not be affected thereby and shall continue in force and effect.

**Section 1080. Dispute Resolution**

In the event of a dispute arising under this Contract, the parties shall continue performance of their respective obligations under this Contract and shall attempt to resolve such dispute in a cooperative manner. If the parties are unable to resolve the dispute, then, in addition to and without waiving any rights and remedies under this Contract or under civil or common law, the parties may voluntarily agree to arbitration pursuant to the terms of this Section.

Within fifteen (15) days after agreement to arbitration has been reached, each party shall submit the name of its own arbitrator, selected from a panel of persons qualified by the American Arbitration Association [or other agreed upon local alternative dispute resolution organization] and the two arbitrators shall select a third arbitrator from such panel within fifteen (15) days thereafter, or in case of a disagreement concerning the appointment of the third arbitrator, the third arbitrator shall be appointed from such panel by the presiding judge of King County Superior Court. During such time that the arbitrators are being selected or appointed, the parties shall continue to negotiate in good faith to resolve their dispute in a cooperative manner.

The arbitrators shall apply applicable provisions of Washington law in reaching their determination. The determination by the arbitrators shall be final and binding on the parties, and any judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. City and Contractor shall use their best efforts to conclude all arbitration proceedings involving fee and rate adjustment disputes within thirty (30) days following the commencement of such arbitration proceedings. Any arbitration determination granting an increase in fees or rates may include an award of interest at the statutory rate until the date the increase becomes effective.

The arbitrators shall have the authority, but shall not be required, to award to the prevailing party in the arbitration proceedings reasonable attorneys' fees, expert and non-expert witness costs and expenses, and all other reasonable costs and expenses incurred directly

or indirectly in connection with the proceedings provided, however, the costs of the arbitrators shall be shared equally by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Contract by having their representatives affix their signatures below.

U.S. DISPOSAL II

THE CITY OF SEATTLE

By \_\_\_\_\_  
Signature

By \_\_\_\_\_  
Diana Gale, Director  
Seattle Public Utilities

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Authorized by Ordinance Number \_\_\_\_\_

## Appendix A -- Prevailing Wages

### A. Wages for Garbage, Food Waste and Yard Waste Collection

1. **Hourly Wages** -- Effective April 1, 2000, The prime and subcontractors shall pay all employees on work under this contract not less than the following rate of hourly wages:

<u>a) Classifications</u>	<u>Per Hour</u>
Drivers	\$19.70

b) New Employees

1 - 2000 hours of employment - 80% of above rate

"New employees" do not include employees who have collected refuse and/or yard waste on a City of Seattle contract for 2000 or more hours since April 1, 1998.

c) Overtime

All time worked over forty (40) hours in any workweek shall be compensated at time and one-half.

All Saturday or Sunday work is time and one-half, with an eight (8) hour guarantee, except employees regularly assigned to work Saturday on centralized routes. Employees who work Saturday or Sunday due to a special event are guaranteed four (4) hours.

Saturday work following Thanksgiving Day, Christmas Day or New Year's Day shall be straight-time unless Christmas Day or New Year's Day falls on Saturday or Sunday.

d) Work Week

Regular employees assigned to a five (5) day route and who appear for work on assigned days shall be paid for five (5) consecutive days of eight (8) consecutive hours

2. **Health And Retirement Benefits** -- For each employee, the following rate of contribution shall be made to either: (1) a trustee or to a third person pursuant to a fund, plan or program; (2) additional wages to each employee, or; (3) additional wages minus any contribution to a trustee or to a third person pursuant to a fund, plan or program.

- a) Health Benefits -- Provided or paid to all employees after one thousand (1000) hours of employment, and who were compensated for eighty (80) hours in the previous month.

Health and Welfare	\$322.55 per month
Dental	\$81.75 per month
Vision	\$11.35 per month

- b) Retirement -- Retirement payments do not need to exceed one hundred seventy-three (173) hours per month per employee.

Retirement	\$2.63 per hour
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**3. Vacation, Holiday and Sick Leave Benefit Days --** For each regular employee, the following shall be provided in either: (1) actual benefit days; (2) additional wages to each employee, or; (3) additional wages minus any actual benefit days.

a) Vacation

- One (1) week after one (1) year of employment
- Two (2) weeks after two (2) years
- Three (3) weeks after eight (8) years
- Four (4) weeks after fifteen (15) years

The employer may pro rate vacations for employees with less than one thousand seven hundred and fifty (1,750) compensated hours during an employment year (i.e., anniversary date to anniversary date). Formula shall be: All employees with one thousand seven hundred and fifty (1,750) or more compensated hours during an employment year shall be entitled to full vacation benefits. Formula for employees with less than one thousand seven hundred and fifty (1,750) compensated hours shall be: Compensated hours, divided by two thousand (2,000), equals percentage earned vacation due employees.

- b) Holidays -- Eight paid holidays shall be provided. To be eligible for a paid holiday, the employee must work the last scheduled day immediately preceding and the first scheduled work day immediately following these

The following eight (8) days are holidays (unless the employer selects another day(s)):

- January 1<sup>st</sup> -- New Year's Day
- Martin Luther King Day
- Washington's Birthday (3<sup>rd</sup> Monday of February)
- Memorial Day (last Monday of May)
- July 4<sup>th</sup>
- Labor Day (first Monday of September)



- Thanksgiving Day
- Christmas Day

Contractors will provide collection services on all holidays except New Year's Day, Thanksgiving, and Christmas.

- c) Sick Leave -- If sick leave is provided in actual benefit days, the following applies:

Regular employees shall accumulate forty-eight (48) hours of sick leave benefits a year, on the basis of one (1) hour per forty (40) hours of compensation. Benefits shall be payable for bona fide absences caused by illness or accident commencing the second scheduled working day of sickness; however, when an employee suffers a job-related injury and is taken to the hospital or ordered or required to leave work, benefits shall commence the first day. Employees collecting Workmen's Compensation temporary disability benefits may not receive sick leave as herein provided, however, if Workmen's Compensation benefits are less than the amount of sick leave otherwise provided, employees shall, in addition to Workmen's Compensation benefits, receive sick leave benefits sufficient to equal the amount of sick leave that would otherwise have been received.

A maximum of three hundred fifty (350) hours of sick leave can be accumulated. Sick leave shall be deducted from the bank on an hourly basis. Benefits for days off must be for eight (8) hours and must be for scheduled work days.

4. **Combined Compliance** -- The Contractor shall be deemed to be in compliance with Sections 1, 2, and 3 if its payments to or for the benefit of its employees are at least equal to the total amount derived by adding each of the required wage and benefit components described herein (overpayments in one category may be used as offsets in another category).

## ***B. Wages for Recycling Collection***

1. **Hourly Wages** – Effective April 1, 2000, the prime and subcontractors shall pay all employees on work under this contract not less than the following rate of hourly wages:

a) <u>Classifications</u>	<u>Per Hour</u>
Drivers	\$15.05
Swampers	\$12.49
b) <u>New Employees</u> (1 - 90 workdays)	
Drivers	\$12.04
Swampers	\$11.241

"New employees" do not include employees who have collected recycling on a

City of Seattle contract for 2000 or more hours since April 1, 1998.

c) Overtime

All time worked over forty (40) hours in any workweek, or ten (10) hours in a workday, shall be compensated at time and one-half.

Saturday work following Thanksgiving Day, Christmas Day or New Year's Day shall be straight-time unless Christmas Day or New Year's Day falls on Saturday or Sunday.

**2. Health And Retirement Benefits** – For each employee, the following rate of contribution shall be made to either: (1) a trustee or to a third person pursuant to a fund, plan or program; (2) additional wages to each employee, or; (3) additional wages minus any contribution to a trustee or to a third person pursuant to a fund, plan or program.

a) Health Benefits -- Provided or paid to all employees after ninety (90) workdays of employment, and who were compensated for eighty (80) hours in the previous month.

Health and Welfare	\$251.55 per month
Dental	\$56.00 per month
Vision	\$11.35 per month

b) Retirement -- Retirement payments do not need to exceed one hundred seventy-three (173) hours per month per employee.

Retirement	\$.60 per hour
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**3. Vacation, Holiday and Sick Leave Benefit Days** – For each regular employee, the following shall be provided in either: (1) actual benefit days; (2) additional wages to each employee, or; (3) additional wages minus any actual benefit days.

a) Vacation -- All regular employees after one (1) year's service shall receive the following vacation benefits:

One (1) week after one (1) year of employment  
Two (2) weeks after two (2) years  
Three (3) weeks after eight (8) years

Regular employees, who work less than 1800 hours during the year, shall have their vacation benefit prorated on the basis that 1800 hours is a complete year of service.

b) Holidays -- Eight paid holidays shall be provided. To be eligible for a paid holiday, the employee must work the last scheduled day immediately preceding and the first scheduled work day immediately following the holiday. The

following eight (8) days are holidays (unless the employer selects another day(s)):

January 1<sup>st</sup> -- New Year's Day  
Martin Luther King Day  
Washington's Birthday (3<sup>rd</sup> Monday of February)  
Memorial Day (last Monday of May)  
July 4<sup>th</sup>  
Labor Day (first Monday of September)  
Thanksgiving Day  
Christmas Day

Contractors will provide collection services on all holidays except New Year's Day, Thanksgiving, and Christmas.

- c) Sick Leave -- If sick leave is provided in actual benefit days, the following applies:

Regular employees shall accumulate forty-eight (48) hours of sick leave benefits a year, on the basis of one (1) hour per forty (40) hours of compensation. Accumulated sick leave pay shall be payable at the rate of one (1) day's (8 hours) pay per day at the straight-time rate commencing with the first (1<sup>st</sup>) day of any illness for the first (1<sup>st</sup>) three (3) absences in a consecutive twelve (12) month period and commencing with the second (2<sup>nd</sup>) day for any additional illness.

Employees collecting Workmen's Compensation temporary disability benefits may not receive sick leave as herein provided, however, if Workmen's Compensation benefits are less than the amount of sick leave otherwise provided, employees shall, in addition to Workmen's Compensation benefits, receive sick leave benefits sufficient to equal the amount of sick leave that would otherwise have been received.

Sick leave shall be cumulative from year to year, but not to exceed two hundred forty (240) hours. Hours accrued in excess of two hundred forty (240) shall be paid to employees on their next regular paycheck at the rate of fifty percent (50%) of their normal straight-time hourly wage.

Sick leave shall be deducted from the band on an hourly basis. Benefits for days off must be for eight (8) hours and must be for scheduled work days.

- 4. Combined Compliance** – The Contractor shall be deemed to be in compliance with Sections 1, 2, and 3 if its payments to or for the benefit of its employees are at least equal to the total amount derived by adding each of the required wage and benefit

components described herein (overpayments in one category may be used as offsets in another category).

### ***C. Wages for Recycling Processing***

1. **Hourly Wages** -- The prime and subcontractors shall pay all recycling processing employees on work under this contract not less than the following rate of hourly wages:

a) <u>Length of Service</u>	<u>Per Hour</u>
Starting pay	\$8.15
After 6 months	\$8.95
After 12 months	\$9.65
After 18 months	\$10.35
After 24 months	\$11.00

b) Overtime

All time worked over forty (40) hours in any workweek shall be compensated at time and one-half.

Saturday work following Thanksgiving Day, Christmas Day or New Year's Day shall be straight-time unless Christmas Day or New Year's Day falls on Saturday or Sunday.

2. **Health And Retirement Benefits** -- For each employee, the following rate of contribution shall be made to either: (1) a trustee or to a third person pursuant to a fund, plan or program; (2) additional wages to each employee, or; (3) additional wages minus any contribution to a trustee or to a third person pursuant to a fund, plan or program.

a) Health Benefits

*Health and Welfare*

Single	\$139.00 per month
Employee + 1	\$270.74 per month
Family	\$428.00 per month

*Dental*

Single	\$15.00 per month
Employee + 1	\$33.00 per month
Family	\$47.00 per month

*Vision*

\$11.35 per month

b) Retirement

Retirement 6.5% of straight time wages

**3. Vacation, Holiday and Sick Leave Benefit Days** – For each regular employee, the following shall be provided in either: (1) actual benefit days; (2) additional wages to each employee, or; (3) additional wages minus any actual benefit days.

a) Vacation -- All regular employees after one (1) year's service shall receive the following vacation benefits:

One (1) week after one (1) year of employment

Two (2) weeks after two (2) years

Three (3) weeks after eight (8) years

Four (4) weeks after fifteen (15) years

b) Holidays -- The following eight (8) days are holidays (unless the employer selects another day(s)):

January 1<sup>st</sup> -- New Year's Day

Washington's Birthday (3<sup>rd</sup> Monday of February)

Memorial Day (last Monday of May)

July 4<sup>th</sup>

Labor Day (first Monday of September)

Thanksgiving Day

Christmas Day

Floating Holiday

Contractors will provide collection services on all holidays except New Year's Day, Thanksgiving, and Christmas.

c) Sick Leave -- If sick leave is provided in actual benefit days, the employees shall receive 40 paid sick leave hours per work year.

**4. Combined Compliance** – The Contractor shall be deemed to be in compliance with Sections 1, 2, and 3 if its payments to or for the benefit of its employees are at least equal to the total amount derived by adding each of the required wage and benefit components described herein (overpayments in one category may be used as offsets in another category).